



**Brawley City Council &
Successor Agency to
Brawley Community Redevelopment Agency
Agenda Special Meeting
Tuesday, March 29, 2016 @ 5:00 PM
Emergency Operations Center
351 Main Street
Brawley, California**

Donald L. Wharton, Mayor
Sam Couchman, Mayor Pro-Tempore
Helen M. Noriega, Council Member
George A. Nava, Council Member
Norma Kastner-Jauregui, Council Member

Alma Benavides, City Clerk
Ruby Walla, City Treasurer
William S. Smerdon, City Attorney
Rosanna Bayon Moore, City Manager/
Executive Director

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

1. APPROVAL OF AGENDA

2. PUBLIC APPEARANCES/COMMENTS (Not to exceed 4 minutes) *this is the time for the public to address the Council on any item not appearing on the agenda that is within the subject matter jurisdiction of the City Council. The Mayor will recognize you and when you come to the microphone, please state your name for the record. You are not allowed to make personal attacks on individuals or make comments which are slanderous or which may invade an individual's personal privacy. Please **direct your questions and comments to the City Council.***

a. Special Presentation

3. CONSENT AGENDA

- a. Approve Final Parcel Map (PM15-03) Southeast Corner of South 1st Street and Malan Street **Pgs 4-23**
- b. Reject Claim as recommended by Carl Warren & Company Claims Management Adjusters for Claimant: Jerry Williams **Pg 24**
- c. Adopt Resolution No. 2016- : Resolution of the City Council of the City of Brawley, California Amending Fiscal Year 2015/2016 City of Brawley Budget for the Brawley Fire Department **Pgs 25-31**
- d. Adopt Resolution No. 2016- : Resolution of the City Council of the City of Brawley, California Amending Fiscal Year 2015/2016 City of Brawley Budget for the City Manager **Pg 32**
- e. Authorize Contract Change Order Nos. 1 and No. 2 for Contract 2015-20 Runway 26 End Safety Area Project in the amount of \$17,420 **Pgs 33-44**

4. REGULAR BUSINESS

- a. Discussion and Potential Action to Award Contract to West Coast Industrial Coatings, Inc., for Project No. 2016-02 3 Million Gallon Airport Reservoir Improvements in the Amount of \$377,949 **Pgs 45-49**
- b. Discussion and Potential Action to Authorize Agreement with SCADA Integrations in the Amount of \$75,750 to Provide Professional Services for the Programmable Logic Controller (PLC) Conversion at the City of Brawley Water Treatment Plant **Pgs 50-65**
- c. Discussion and Potential Action to Award Contract to RAL Investment dba Silverstrand Construction for Project No. 2015-01 Alyce Gereaux Park Renovation in the Amount of \$2,446,320.30 **Pgs 66-69**
- d. Discussion and Potential Action to Accept the Audited Financial Statements for the City of Brawley for the Fiscal Year Ended June 30, 2015 **Pgs 70-172**
- e. Discussion and Potential Action to Adopt Resolution No. 2016- : Resolution of the City Council of the City of Brawley Authorizing the Borrowing of Funds from Municipal Finance Corporation to Refinance Outstanding 2004 Installment Payments **Pgs 173-215**

5. STRATEGIC PLANNING FOR FISCAL YEAR 2016/2017

- a. Discussion and Staff Direction

6. DEPARTMENTAL REPORTS

- a. Update from Ruby Walla, Finance Director re: Availability of 5 Year Report for Development Impact Fees

7. CITY COUNCILMEMBERS' REPORT

8. CITY MANAGER'S REPORT

9. CITY ATTORNEY'S REPORT

10. CITY CLERK'S REPORT

11. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATOR

- a. Agency Designated Representative: Rosanna Bayon Moore, City Manager
Employee Organization: Brawley Public Safety Employees, Brawley Police Sergeants' Association, Brawley Firefighter's Local No. 1967, and Teamsters Local No. 542

ADJOURNMENT Next Special Meeting, *Tuesday, April 5, 2016 @ 5:00 PM*, City Council Chambers, 383 Main Street, Brawley, California. Supporting Documents are available for public review in the Office of the City Clerk, 383 Main Street, Brawley, California 92227 - Monday through Friday during Regular Business Hours; Individuals who require special accommodations are requested to give 48 hours prior notice. Contact: Office of the City Clerk @ 760-351-3080

Alma Benavides, City Clerk

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: 3/29/16

City Manager:

RBM

PREPARED BY: Gordon R. Gaste, Planning Director, AICP, CEP

PRESENTED BY: Gordon R. Gaste, Planning Director, AICP, CEP

SUBJECT: Final Parcel Map (PM15-03) – Southeast Corner of South 1st Street and Malan Street

CITY MANAGER RECOMMENDATION: Approve Final Parcel Map (PM15-03).

DISCUSSION: Section 23A.12 of the City of Brawley Subdivision Ordinance requires City Council approval of final maps. The City Council may only approve a final map that complies with an approved tentative map.

The subject property located at the southeast corner of South 1st Street and Malan Street is currently zoned R-3 (Residential Medium Density). A tentative map was approved by the City Council on December 15, 2015.

City of Brawley Public Works and Planning staff have reviewed the final map for compliance with the tentative map, the conditions of approval, the Subdivision Ordinance and the Subdivision Map Act. The Acting City Surveyor and Planning Director have approved the final map. The tentative map, final map and other project documents are on file and accessible to the public at the Office of City Clerk.

FISCAL IMPACT: N/A

ATTACHMENTS: Final Parcel Map, Subdivision Guarantee, Owner's Certificate, Reciprocal Easement.

SUBDIVISION GUARANTEE

Fee: \$200.00

Parcel Map No.: 15-03

First American Title Insurance Company
a corporation

GUARANTEES

The County of Imperial and any City within which said subdivision is located in a sum not exceeding \$1,000.00.

That, according to those public records which, under the recording laws, impart constructive notice of matters affecting the title to the land included within the exterior boundary shown on the map of the above referenced subdivision, the only parties having any record title interest in said land whose signatures are necessary, under the requirements of the Subdivision Map Act, on the certificates consenting to the recordation of said map and offering for dedication any streets, roads, avenues and other easements offered for dedication by said map are:

Brawley Pacific Associates, a California limited partnership, Owner

JPMorgan Chase Bank, N.A., a national banking association, Beneficiary under deed of trust recorded November 20, 2015 as Instrument No. 2015-024420 of Official Records.

City of Brawley, Beneficiary under deed of trust recorded November 20, 2015 as Instrument No. 2015-024421 of Official Records.

Imperial Valley Housing Authority, Beneficiary under deed of trust recorded November 20, 2015 as Instrument No. 2015-024422 of Official Records.

The map hereinbefore referred to is a subdivision of:

LOT B OF THE AMENDED MAP OF MALAN PARK, IN THE CITY OF BRAWLEY, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 25, PAGE 84 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

Dated: 12/31/2015

First American Title Insurance Company



Dennis J. Gilmore
President



Jeffrey S. Robinson
Secretary

RECORDING REQUESTED BY:

City of Brawley
Planning Department
400 Main Street
Brawley, CA 92227

WHEN RECORDED MAIL TO:

City of Brawley
Planning Department
400 Main Street
Brawley, CA 92227

SPACE ABOVE THIS LINE FOR RECORDER'S USE

OWNER'S CERTIFICATE

With the exception of those persons described in section 66436 of the Government Code, the Undersigned, name herein, Brawley Pacific Associates, a CALP

Hereby certify and acknowledge that they are all of the parties having any record title interest in the real property herein below described, which is the subject of Parcel Map Application Number(s) 15-03

The Undersigned further certify and acknowledge that each and all of them consent to the preparation and recordation of the Parcel Map for said subdivision of said herein below described property:

SEE EXHIBIT "A"

Executed on January 11 2016 at Eagle, Ada, Idaho
(City, County and State)

Signature: 

Print Name: Caleb Roope

Title: General Partner

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGEMENT

State of IDAHO
County of ADA } SS.
City of EAGLE

On JANUARY 11, 2016, before me, PETER VAN DORNE, personally appeared

CALAB ZODRE
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledge to me that he/she/they executed the same in his/her their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of ~~California~~ IDAHO that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(seal)

Commission Expires: 7/26/2017



Recording requested by:

Brawley Pacific Associates,
A California limited partnership

When recorded mail to:

Brawley Pacific Associates
430 E. State Street, Ste. 100
Eagle, ID 83616
Attn: Caleb Roope

Space above this line for recorder's use

RECIPROCAL MAINTENANCE AND USE AGREEMENT

This Reciprocal Maintenance and Use Agreement is entered into as of March 22, 2016 by and between the Imperial Valley Housing Authority, a public body corporate and politic ("IVHA") and Brawley Pacific Associates, a California Limited Partnership ("BPA" or, with IVHA, sometimes hereinafter collectively referred to as "Owners" and individually as "Owner") and consented to by Pacific West Communities, Inc., an Idaho corporation authorized to do business in California as Idaho Pacific West Communities, Inc. ("PWC") as follows:

RECITALS:

WHEREAS:

- A. BPA is the fee simple owner of certain real estate located in the City of Brawley, Imperial County, California, the legal description of which is attached hereto as Exhibit A and incorporated herein by reference ("BPA Property").
- B. IVHA is the fee simple owner of certain real estate located in the City of Brawley, Imperial County, California, situated adjacent to BPA Property, the legal description of which is attached hereto as Exhibit B, and incorporated herein by reference ("IVHA Property") (BPA Property and IVHA Property are sometimes hereinafter collectively referred to as "Parcels" and individually as "Parcel").
- C. IVHA intends to transfer the IVHA Property to a developer for development of a multifamily residential development (the "IVHA Development"). BPA intends to develop the BPA Property as a 41-unit affordable multifamily development (the "BPA Development").
- D. PWC is the developer of the BPA Development and intends to act as developer of the IVHA Development. The Parcels are intended to be operated with separate ownership as described above but with sharing of certain common amenities and maintenance and operational expenses as hereinafter described and subject to the conditions set forth hereinbelow.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Recitals. The Owners agree that the Recitals stated above are true and correct and form a material part of this Agreement upon which the Owners have relied. The Recitals set forth above are hereby incorporated as if fully set forth herein.
2. Roadway Access and Parking Easements. Each Parcel is hereby granted, for the benefit of each of the other Parcels, and to be appurtenant to each Parcel and for the use and benefit of their respective tenants, officers, employees, agents, lessees, guests, licensees and invitees, a perpetual non-exclusive easement for vehicular, multimodal and pedestrian use for ingress and egress to and from each Parcel, to and from the public roadways contiguous to any Parcel, to and from the Common Facilities (as hereinafter defined) and for parking, on, over, across and upon that portion of each Parcel from time to time on which are located paved roadways, driveways, walkways and parking lots.
3. Common Facilities Easement. Each Parcel is hereby granted, for the benefit of each of the other Parcels, and to be appurtenant to each Parcel, and for the use and benefit of their respective tenants, officers, employees, agents, lessees, guests, licensees and invitees, a perpetual non-exclusive easement to use and enjoy all common-area amenities on any Parcel including, without limitation, swimming pools, clubhouses (which may include, without limitation, offices, laundry facilities, computer labs, exercise rooms, recreation/meeting rooms, maintenance areas & kitchens), playgrounds, BBQ/picnic areas and other common facilities, walkways and common open areas which presently exist or may hereafter exist on any Parcel (all of such facilities and areas being collectively referred to as the "Common Facilities") on the same terms and conditions that the same are available for use by the tenants, officers, employees, agents and invitees of the owner of the Parcel upon which such Common Facilities are located. The rights granted in this paragraph 3 are expressly made contingent upon the following:
 - a. PWC or an affiliate of PWC acts as developer of the IVHA Development;
 - b. The IVHA Development is restricted to low-income households whose initial qualifying income is at or below 60% of the Area Median Income for Imperial County as established by HUD;
 - c. The IVHA Development is limited to not more than 48 housing units along with associated community spaces and improvements; and,
 - d. The IVHA Development will add, at a minimum, the following shared amenities:
 - i. Community laundry facilities with at least as many washers and dryers as would be required by the California Tax Credit Allocation Committee for a tax credit development of the same size as the IVHA Development.

In the event that the conditions set forth in subparagraphs a-d, above, are not satisfied then, prior to construction of any development commencing on the IVHA Parcel, the parties expressly agree that they shall execute and record a vacation of all rights and duties granted under this paragraph 3 only.

4. Utility and Drainage Easements. Utility service line facilities now or may hereafter exist on one or more of the Parcels that will provide utility service to the other Parcels, including, without limitation, natural gas, electric, cable, water, sanitary and storm sewer and telecommunications facilities (the "Utility Facilities"). Each Parcel is hereby granted, for the benefit of the other Parcels, and to be appurtenant to each Parcel, and for the benefit of their respective tenants, officers, employees, agents, lessees, guests and invitees, a perpetual non-exclusive easement to use, maintain and enjoy the Utility Facilities now or anytime hereafter situated on any Parcel on the same terms and conditions that such Utility Facilities are available for use by the owner of the Parcel upon which such Utility Facilities are located, and its tenants, officers, employees, agents and invitees.

It is understood and agreed that grades, grading and drainage may be changed on the Parcels in connection with construction of the BPA Development and, when developed, the IVHA Development. Each Parcel is hereby burdened with the obligation to accept drainage water from the other Parcels and each Parcel is hereby granted the right to install and maintain drainage and grading improvements on its Parcel consistent with construction plans approved by the City of Brawley.

5. Cost, Maintenance and Repair Obligations. The owner of each Parcel or its designee shall be responsible for operating, maintaining and repairing the landscaping, improvement, roads, Common Facilities and Utility Facilities located on its respective Parcel. Therefore, BPA shall be solely responsible for maintenance of all improvements on the BPA Parcel (including, without limitation, all drainage improvements, grading, irrigation improvements and landscaping) and IVHA's designee (which currently is and shall be PWC), shall be solely responsible for maintenance of all improvements on the Phase II Parcels (including, without limitation, all weed abatement, drainage improvements, grading, irrigation improvements and landscaping) until such time as IVHA transfers the IVHA Parcel for development and construction of the IVHA Development.

Subject to the terms below regarding the Shared Expenses, all costs of operation, maintenance and repair of the BPA Parcel shall be borne exclusively by BPA, and all costs of operation, maintenance and repair of the IVHA Parcel (with the exception of Utility Facilities constructed thereon but used during this period exclusively for the benefit of the BPA Development, which expenses shall be borne by BPA) shall be borne exclusively by the owner of the IVHA Parcel or its designee (which currently is and shall be PWC) until at least the earlier to occur of (i) transfer of the IVHA Parcel by IVHA to the contemplated owner(s) of the IVHA Parcel in connection with the development of the IVHA Development, (ii) receipt of building permits for the IVHA Development (the "Insurance Transfer Date") and the owner of the IVHA Parcel shall be obligated for all such costs thereafter. All utilities for the BPA Parcel and all utilities for the IVHA Parcel shall be separately metered.

Notwithstanding the foregoing, following development of the IVHA Project, each owner shall pay its proportionate share of the cost of operating, maintaining,

restoring and using Common Facilities located on the Parcels including: facilities occupied jointly for office or maintenance purposes by the owners; and facilities used jointly including, exclusively, any pool, playground and picnic area equipment (collectively, the "Shared Facilities"), which costs shall include but are not limited to, capital repair and replacements, insurance, maintenance and restoration of the physical facilities and utility costs and other associated costs (the "Shared Expenses"). Such proportionate share shall be based on the number of residential rental units on each Parcel for which certificates of occupancy have been obtained and which have been leased to an initial tenant compared to the total number of residential units on both Parcels (the "Prorata Share").

Each owner may send written notice to the other owner from time to time requesting that owner to pay its respective Prorata Share of Shared Expenses, provided that statements therefor shall be sent no more frequently than once each month. Each Owner shall pay, within fifteen (15) days of delivery of any such written notice, its Prorata Share of such Shared Expenses. Such notice shall include an itemized statement, with supporting evidence in the form of invoices, receipts, or other evidence of the nature of the expenses incurred, of all expenses incurred by the Owner seeking payment in operating, maintaining, repairing and/or replacing the Shared Facilities.

In the event that any owner of a Parcel fails to fulfill its obligations under the terms of this Agreement (a "Non-Performing Owner"), including, without limitation, performance of maintenance and repair of the Common Facilities and Utility Facilities, then upon ten (10) days' written notice from any owner of any other Parcel (a "Performing Owner"), such Performing Owner may perform any such obligations of the Non-Performing Owner in accordance with the terms and standards of this Agreement at the sole cost and expense of the Non-Performing Owner. Upon delivery of written notice of the cost and expense of completing such obligations, including an itemized statement thereof with supporting evidence in the form of invoices, receipts, or other evidence of the nature of the expenses incurred, such Non-Performing Owner shall immediately pay to the Performing Owner the full amount of such costs and expenses, together with interest at the rate of 6% per annum.

Notwithstanding anything to the contrary contained herein, nothing contained herein shall obligate any Owner to (1) construct any new improvement on its own Parcel, or (2) construct any new improvement on any other Owner's Parcel (or to directly or indirectly pay to such other Owner any amount on account of any such new improvement on such other Owner's Parcel). Any lien on any Parcel created hereunder shall automatically be subject and subordinate to the lien of any deed of trust or mortgage now or hereafter encumbering such Parcel. No breach or violation of any term or provision hereof by any Owner shall defeat, render invalid, extinguish, modify or otherwise affect the lien of any deed of trust or mortgage now or hereafter encumbering all or any part of such Owner's Parcel (and upon foreclosure of any such deed of trust or mortgage, the purchaser at such foreclosure

sale shall take the Parcel free of any lien or obligation arising with respect to any such breach or default by such Owner).

6. Insurance.

Prior to the earlier to occur of the Insurance Transfer Date, BPA shall, at BPA's sole cost and expense, maintain in full force and effect with respect to all the Parcels: Commercial general liability insurance written on an occurrence basis, with limits of at least \$1,000,000 per person per accident and at least \$1,000,000 property damage, or Combined Single Limit of at least \$2,000,000 consisting of both bodily injury and property damage coverage. From and after the Insurance Transfer Date, the owner of each Parcel shall, at such owner's sole cost and expense, maintain in full force and effect the above-referenced minimum insurance requirements with respect to such owner's Parcel.

Each owner of a Parcel shall cause the owner of the other Parcels to be named as an additional insured under its respective commercial general liability policy.

At least annually and upon renewal, each owner required to be insured under this paragraph shall furnish each other owner with certified copies of all such policies and with valid certificates of insurance for all of such policies showing the carriers, policy numbers, names of additional insureds and expiration dates.

7. Eminent Domain. Nothing herein shall be construed to give either Owner any interest in any award or payment made to the other Owner, as the owner of its respective Parcel, in connection with any exercise of the power of eminent domain, or transfer in lieu thereof, affecting any portion of a Parcel, even though the affected portion of such Parcel is encumbered by the easement rights herein granted; however, each Owner shall have the right to make a separate claim against any condemning authority for any diminution in value of its Parcel on account of the loss of use of the easement rights herein granted and for the value of any improvements installed by such Owner pursuant to said easement rights which are damaged or destroyed in connection with any exercise of the power of eminent domain or any transfer in lieu thereof. The Owner of a Parcel that is subject to a taking or condemnation shall, to the extent reasonably practicable, promptly repair, restore, and relocate, if necessary, any easements affected by such taking or condemnation.

8. Attorneys' Fees. In the event any Owner shall be in default under this Agreement, or if any dispute shall arise between the Owners concerning the interpretation of this Agreement, and if an action shall be brought in connection therewith in which it shall be finally (with no further appeal being available due to the expiration of appeal periods or otherwise) determined that any Owner was in default, or that the court agrees with one Owner's interpretation of the disputed provision of this Agreement, the Owner determined by the court to be in default, or with whose interpretation of this Agreement the court does not agree, shall pay to the other Owner's all reasonable attorneys' fees and litigation expenses incurred or paid by the other Owner's in connection therewith.

9. General Standard of Use and Maintenance. The Owners of each Parcel shall exercise their rights hereunder so as not to materially interfere with the normal use of the other Parcel and the rights of the other Owner, shall not construct or place any obstacle or otherwise

interfere in any way with the use of the easements herein granted by any other parties entitled to the use and enjoyment of them as described herein, and shall maintain the easement facilities located on its Parcel in a condition and appearance consistent with the integrated operation and appearance of the Parcels. Each of the Owners shall have the right in its sole discretion, to relocate, remove or alter the surface of or any structure or facility located on its Parcel, provided that such relocation, removal or alteration does not materially interfere with the rights granted hereunder to any other Owner.

10. Covenants Run with the Land. All of the easements, restrictions and obligations herein shall create servitudes running with the title to the Parcels herein described. The benefits and burdens under this Agreement are not personal but shall run with the title to their respective Parcels and shall be binding upon and shall inure to the benefit of the Owners and their respective successors and assigns as owners of the Parcels. In the event of sale of all or any residential units within the Parcels, the purchaser shall be responsible for carrying out the obligations set forth herein and, in the event less than all of one Owner's residential units are sold or transferred, the purchaser's prorata share shall be determined in the same manner set forth above in Section 2. The obligations of purchasers may be undertaken by homeowners' associations to which the purchaser belongs but the purchaser shall remain primarily liable for fulfillment of these obligations.
11. Notices. All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly and properly given on the date of service if delivered via hand delivery, or on the first business day following deposit with a nationally recognized overnight courier service (e.g. FedEx), postage prepaid, in any event addressed appropriately as follows:

If to BPA: Brawley Pacific Associates, LP
430 E. State St., Ste. 100
Eagle, ID 83616
Attn: Caleb Roope

If to IVHA: Imperial Valley Housing Authority
1402 "D" Street
Brawley, CA 92227
Attn: Andrea Roark

Any Party may change its address for purposes of this Section 11 by giving the other Parties written notice of the new address in the manner set forth above.

12. Miscellaneous.

- (a) This Agreement may not be amended or modified orally but may be amended or modified only in writing, signed by all of the parties hereto (or their respective successors or assigns as Owners) and approved in writing by the limited partners of Owners to the extent applicable (the "Limited Partners"). No waiver of any term or provision of this Agreement shall be effective unless it is in writing, making specific reference to this Agreement and signed by the Parties and the Limited Partners, and any such waiver shall not constitute a waiver of any other or subsequent rights under or violations of this Agreement.

- (b) This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof. This Agreement shall be binding upon the Parties hereto and their respective successors and assigns and shall inure to the benefit of each of them.
- (c) This Agreement has been executed and delivered in and shall be governed by and construed in accordance with the laws of the State of California.
- (d) If any term or provision of this Agreement shall be held invalid, illegal or unenforceable, in whole or in part, the validity of any and all other terms and provisions of this Agreement shall not in any way be affected thereby.
- (e) The headings contained in this Agreement are for convenience of reference only and are not part of this Agreement and shall not be used in construing it.
- (f) This Agreement may be executed in multiple counterparts, each of which, when taken together, shall constitute an original.
- (g) IVHA represents and warrants that it is the owner of the IVHA Property and has full and complete authority to enter into this Agreement. IVHA further represents and warrants that it has taken all actions necessary as a prerequisite for the execution of this Agreement and that upon the execution of this Agreement, the obligations of IVHA hereunder shall be valid and binding.

BPA represents and warrants that it is the owner of the BPA Property and has full and complete authority to enter into this Agreement. BPA further represents and warrants that it has taken all actions necessary as a prerequisite for the execution of this Agreement, the obligations of BPA hereunder shall be valid and binding. BPA further represents and warrants that the BPA Property is currently not encumbered by any liens or mortgages other than other than those recorded concurrently herewith.

- (h) This Agreement may be enforced in a California court of law or equity in any manner provided by law or in this Agreement, including, without limitation, any action for specific performance or damages, and any failure by any party to enforce any provision of this Agreement shall in no event be deemed a waiver of the right to do so thereafter.
- (i) Nothing contained herein shall be construed as creating any rights in the general public or as dedicating for public use any portion of the Parcels, Common Area Facilities or Utility Facilities, it being the intent of the Owners that this Agreement shall be strictly limited to and for the purposes herein expressed. No easements, except those expressly set forth herein, shall be implied by this Agreement.
- (j) Nothing contained herein shall be construed to make any Party hereto partners or joint ventures, or to render either of the Parties liable for the debts or obligations of any other Party hereto.
- (k) Nothing contained herein shall be construed as imposing any obligations on IVHA as opposed to IVHA's successors and assigns who develop the IVHA Development

(who shall have all such obligations, as applicable)) to perform any maintenance, repairs, or improvements; to pay any operation, maintenance or other costs related to the Parcels; or to enforce the terms of this Agreement.

(l) BPA shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the IVHA, its officers, officials, employees, agents and contractors harmless from and against any claims arising out BPA's performance or failure to comply with the obligations under this Agreement.

(m) This Agreement shall be recorded in the County Recorder's Office of the County of Imperial, California at BPA's expense.

IN WITNESS WHEREOF, the parties execute this agreement as of the date first above written.

Brawley Pacific Associates, a California
Limited Partnership

TPC Idaho Holdings V, LLC, its Administrative
General Partner

By: 

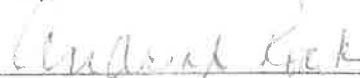
Name: Caleb Roope

Title: Manager

Acknowledgement Attached

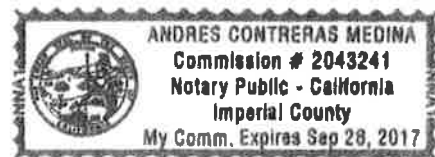
IVHA

City of Brawley, a political subdivision of the State of
California

By: 

Andrea D. Roark, Executive Director

Acknowledgement Attached



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Idaho


County of Ada

On March 22, 2016 before me, Peter Van Dorne, Notary Public, personally appeared Caleb Roope, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature


Commission Expires: 7/26/2017



DEVELOPER'S ACKNOWLEDGEMENT AND CONSENT

Pacific West Communities, Inc., an Idaho corporation authorized to do business in California at Idaho Pacific West Communities, Inc. hereby acknowledges the content of and consents to the terms and restrictions of the foregoing Reciprocal Maintenance and Use Agreement of which this Consent is a part.

Pacific West Communities, Inc., an Idaho corporation authorized to do business in California at Idaho Pacific West Communities, Inc.

By: 

Name: Caleb Roope

Title: President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Idaho

County of Ada

On March 22, 2016 before me, Peter Van Dorne, Notary Public, personally appeared Caleb Roope, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature


Commission Expires: 7/26/2017



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

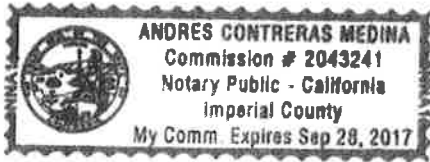
County of _____

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ss.

On March 23 2016 before me, Andres Contreras Medina, Notary Public, personally appeared Andres Dec Roubk, who

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Andres Contreras Medina

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- ☐ Individual
☐ Corporate Officer

Title

- ☐ Partner(s) ☐ Limited
☐ Attorney-in-Fact ☐ General
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

Absent Signer (Principal) is Representing:

Signer(s) Other Than Name(s) Above

EXHIBIT "A"
LEGAL DESCRIPTION OF BPA PARCEL

A Portion of former APN: 048-275-055-000

PARCEL "1" AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP NO. 15-03", FILED FOR RECORD IN THE OFFICE OF THE IMPERIAL COUNTY RECORDER ON MARCH ___, 2016, IN BOOK ___, PAGE ___ OF FINAL MAPS.

EXHIBIT "B"

LEGAL DESCRIPTION OF IVHA PARCEL

A Portion of former APN: 048-275-055-000

PARCEL "2" AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP NO. 15-03", FILED FOR RECORD IN THE OFFICE OF THE IMPERIAL COUNTY RECORDER ON MARCH __, 2016, IN BOOK __, PAGE __ OF FINAL MAPS.



CARL WARREN & COMPANY
Claims Management and Solutions

March 23, 2016

To: The City of Brawley
Attn: Shirley Bonillas, Risk Management

RE: Claim : Williams vs City of Brawley
Claimant : James Williams
D/Event : 3/14/16
Rec'd Y/Office : 3/16/16
Our File : 1933081 DBQ

We have reviewed the above captioned claim and request that you take the action indicated below:

- **CLAIM REJECTION:** *Send a standard rejection letter to the claimant.*

Please provide us with a copy of the notice sent, as requested above. If you have any questions please contact the undersigned.

Very truly yours,
CARL WARREN & COMPANY

Deborah Been
Deborah Been

AN EMPLOYEE-OWNED COMPANY

770 S. Placentia Avenue | Placentia, CA 92870

P. O. Box 25180 | Santa Ana, CA 92799-5180

www.carlwarren.com | Tel: 714-572-5200 | 800-572-6900 | Fax: 866-254-4423

CA Licen24No 2607296

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: March 29, 2016

City Manager:



PREPARED BY: Chuck Peraza, Fire Chief

PRESENTED BY: Chuck Peraza, Fire Chief

SUBJECT: Budget Adjustment for Unanticipated Revenue Reimbursement from the U. S. Forestry Service and State of California Office of Emergency Services

CITY MANAGER RECOMMENDATION: Approve Resolution No. 2016-___: Resolution of the City Council of the City of Brawley, CA Amending the Fiscal Year 2015/2016 City of Brawley Budget for the Fire Department in the amount of \$ 89,740.53.

DISCUSSION: Approval is requested to amend the budget for the Brawley Fire Department (BFD) to reflect receipt of reimbursement in the total amount of \$89,740.53 from the United States Forestry Service and California Office of Emergency Services. The reimbursement is for two separate mutual aid requests that activated BFD deployment. One involved a wildfire located in the Sierra National Forest and another occurred in Amador County.

August 22-30, 2015 Deployment

A fire engine was sent with four firefighters from August 22, 2015 through August 30, 2015 to Squaw Valley. BFD was deployed as part of a strike team wildfire incident. The U.S. Forestry Service has reimbursed the City for the cost associated with salaries and equipment in the amount of \$40,629.95. This amount has been electronically deposited into the City of Brawley's bank account.

September 20-22, 2015 Deployment

The second deployment was to the Butte fire in Amador County for another wildfire incident. A fire engine was sent with four firefighters for the days of September 20, 2015 through September 22, 2015. The State of California Office of Emergency Services has reimbursed the City for salary and equipment costs in the amount of \$49,110.58

As these incidents occurred during the Fiscal Year 2015-2016 budget, a budget adjustment in the amount of \$35,733.56 is proposed to offset overtime compensation incurred and \$427.35 will be placed in the fuel line item to reflect the use of City fuel associated with the two incidents. The department respectfully requests that \$53,579.62 be placed into the BFD's small tools and equipment to purchase new fire equipment that can replace old and worn equipment to be used on a daily basis.

FISCAL IMPACT: Increase of \$89,740.53 to the Fire Department FY 2015/16 Budget

ATTACHMENTS: Copy of the reimbursement invoice from the Rough Fire; Copy of the State of California reimbursement check

Resolution No. 2016-___: Resolution of the City Council of the City of Brawley, CA Amending the Fiscal Year 2015/2016 City of Brawley Budget for the Fire Department in the amount of \$89,740.53.

Emergency Activity Calculation Record -Fire and Rescue-

MACS Designator:BRW
Strike Team: XIM-6110-TF
Order Number:CA-SNF-001746
Request No. : E-600042

Dispatch Information:

To: INCIDENT	Name: ROUGH	Location: SIERRA NATIONAL FOREST	App. Unit No: E-3912	OES Vehicle ? N
--------------	-------------	-------------------------------------	----------------------	-----------------

Departed: Date:08/22/2015

Time:19:40

Returned: Date:08/30/2015

Time:22:00

Total Hours: 194.50

Fire Engine or	Apparatus GPM: 1251 to 1500	License Number:1173609
----------------	-----------------------------	------------------------

Strike Team/Task Force Leader, Assistant Strike Team Leader, or Overhead Personnel:

ICS Title:	POV: NO		
Vehicle Make & Model:	Miles To:	Miles On:	Miles Return:
License No:			
Total Miles: 0			

Mutual Aid Responder:	Mutual Aid User: USFS Explain Other:
Dept: Brawley FD	CDF Contract: N
Chief: Chuck Peraza	InterNet Mail: cperaza@brawley-ca.gov
Phone: (760)351-9110 Fax: (760)351-9456	
Mail Box:	City: Brawley
Address: 1505 Jones Street	State: CA Zip: 92227

Strike Team Expenses

Personnel Type	Hourly Rate	Paid Rate	# on this F-42	Hours on this F42	Total for this F42
Chief	\$43.330	\$43.330	0	0.00	\$0.00
Deputy Chief	\$23.310	\$34.965	0	0.00	\$0.00
Division Chief	\$23.310	\$34.965	0	0.00	\$0.00
Asst. Chief	\$23.310	\$34.965	0	0.00	\$0.00
Battalion Chief	\$23.310	\$34.965	0	0.00	\$0.00
Company Officer	\$22.320	\$33.480	1	194.50	\$6,511.86
Apparatus Oper.	\$19.730	\$29.595	1	194.50	\$5,756.23
Fire Fighter	\$18.950	\$28.425	2	194.50	\$11,057.32
Overhead	\$0.000	\$0.000	0	0.00	\$0.00
Travel Expenses	\$0.000				\$0.00
Workers Comp Rate					Total Workers Comp
0.07430					\$1,733.08
UI Rate					Total UI
0.00010					\$2.33
					Total Personnel
					\$25,060.82
					Surcharge-Personnel
					\$2,506.08
Engine Hours				Total Engine Hours	\$11,875.50
\$91.00				130.50	
					Surcharge-Engine
					\$1,187.55
Support/Overhead Vehicle			0	Vehicle Cost	\$0.00
\$0.000			(POV Miles or # of Days)		
\$0.00				Surcharge-Vehicle	\$0.00
					Total for this F42
					\$40,629.96

(OES F-42)

Invoice No.: 20154126
Invoice Print Date: 11/19/2015
Incident Order No: CA-SNF-001746
Incident Name: ROUGH
MACS Designator: BRW

Local agency, Return invoice to:

95-6000680

1505 Jones Street
Brawley, CA 92227

Federal DUNS No.:
092592658

Cal OES Fire and Rescue Div.
Reimbursement Processing
3650 Schriever Avenue
Mather, CA 95655

SUMMARY INFORMATION

Unit	Req. No.	Strike Team	Depart Date/Time	Return Date/Time	Total Hours	Personnel Total	Engine Hours	Engine Reimb.	Support Vehicle	Admin Surchg
E-3912	E-600042	XIM-6110-TF	8/22/2015 07:40:00 PM	8/30/2015 10:00:00 PM	194.50	\$25,060.82	130.50	\$11,875.50		\$3,693.63
						\$25,060.82		\$11,875.50	\$0.00	\$3,693.63

CLAIM TOTAL: \$40,629.95

Mileage for Privately Owned Vehicle (POV) only and is figured at a rate of 0.575 per actual mile.

Engine Hours are based on a 16 hour portal to portal day for each 24 hour period.

Agency Salary Rates on file: 1/1/2015

The Vehicle Rates are:

Sedan = \$47.00 per day
Pickup = \$86.00 per day
Suv = \$96.00 per day
Van = \$109.00 per day
Other = \$96.00 per day
Administrative Rate: 0.1000

Apparatus GPM rates are:

0 to 1000 =	\$80.00 per hour
1001 to 1250 =	\$85.00 per hour
1251 to 1500 =	\$91.00 per hour
1501 to 2000 + =	\$93.50 per hour

Fire Fighter \$18.950

Apparatus Oper.:	\$19,730
Company Officer:	\$22,320
Batt. Chief:	\$23,310
Asst. Chief:	\$23,310
Div. Chief:	\$23,310
Dep. Chief:	\$23,310
Chief:	\$43,330
State UI Rate:	0.000100
Local Work Comp.:	0.074300

The invoice amounts are computed on the California Fire Assistance Agreement currently in place between Cal OES, CAL FIRE, USFS, BLM, NPS, FWS and BIA. Local agencies that have wages that exceed the minimum base rate shall be reimbursed using the Avg. Actual Rate otherwise the established base rate shall be used for reimbursement. Formulas: Average Actual Rate: $\frac{(A \times H \times 1.5) + (A \times H \times 1.5 \times W) + (A \times H \times 1.5 \times U) + M + E}{S}$ Established Base Rate: $\frac{[(B \times H \times 1.5) + (B \times H \times 1.5 \times W) + (B \times H \times 1.5 \times U) + M + E]}{S}$ where A = Avg. Actual Hourly rate; H = Total hours on incident; W = local agency's Workers' Compensation Rate (%); U = State Employment Rate (%); S = Surcharge Rate (%) B = Established Hourly Base Rate; E = Engine Reimbursement, where applicable; M = Claimed Miles, where applicable. Chiefs above the Battalion Chief level shall be reimbursed portal to portal unless the employee (s) has a local agreement that they are to be paid above straight time.

Reminder: As per the California Fire Assistance Agreement, invoices not returned to Cal OES by the local agency within 30 days of receipt by the local agency will be considered null and void.

I certify that to the best of my knowledge and belief that the data above is correct.

Signature

Title

Date _____

Please sign and return one copy, retain one copy for your records.



RECEIVED

DEPT. COPY

11/30/2015

Invoice No.: 20155701
Invoice Print Date: 01/15/2016
Incident Order No: CA-AEU-024918
Incident Name: BUTTE
MACS Designator: BRW

Local agency, Return invoice to:

Cal OES Fire and Rescue Div.
Reimbursement Processing
3650 Schriever Avenue
Mather, CA 95655

Chief: Chuck Peraza



STATE OF CALIFORNIA

06-591053

H THE TREASURER OF THE STATE WILL PAY OUT OF THE
IDENTIFICATION NO.

FUND NO. FUND NAME
0001 GENERAL FUND

MO. DAY YR.
3540 02 24 2016

90-1342/1211

06591053

TO:
591053
BRAWLEY FD

DOLLARS	CENTS
\$***49110	58

Betty T. Yee
BETTY T. YEE
CALIFORNIA STATE CONTROLLER

FORM 04-08 (2-07) CONTROLLERS WARRANT

⑆121113423⑆ 065910537⑈

REMITTANCE ADVICE

VENDOR-ID

PAGE 1

STATE OF CALIFORNIA
DOF

STD. 404C (REV. 4-95)

0000802300-01

THE ENCLOSED WARRANT IS IN PAYMENT OF THE INVOICES SHOWN BELOW

DEPARTMENT NAME	ORG. CODE	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	RPI
FORESTRY AND FIRE PROTECTION	3540	01/15/16	OES BUTTE	49110 58	
DEPARTMENT ADDRESS	CLAIM SCHED. NO.				
P O BOX 944246 SACRAMENTO CA 94244-2460	5034308				
VENDOR					
BRAWLEY FD 1509 JONES STREET BRAWLEY CA 92227					

PYMT INQUIRIES: (916) 653-7334

FED

For back up documentation call OES at (916) 845 8717

TOTAL PAYMENT

49110.58

RESOLUTION NO. 2016-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRAWLEY,
CALIFORNIA, AMENDING THE FISCAL YEAR (FY) 2015/2016 CITY OF
BRAWLEY BUDGET.

Amendment No. 2016-15:

Department: Fire

WHEREAS, Minute Order dated May 19, 2015 adopted the Fiscal Year 2015-2016 City of Brawley Budget and appropriated expenses on a cost center basis: and

WHEREAS, adjustments to the FY 2015-2016 General Fund Budget have been determined to be necessary.

THEREFORE, BE IT RESOLVED, that the FY 2015-2016 City of Brawley Budget is hereby amended as follows;

REVENUE

BUDGET NUMBERS	ACCOUNT NAME	INCREASE	DECREASE
101-221.000-440.310	State Reimbursement	\$89,740.58	
	TOTAL	\$89,740.53	

EXPENDITURES

BUDGET NUMBERS	ACCOUNT NAME	INCREASE	DECREASE
101-221.000-700.300	Overtime Salaries	\$35,733.56	
101-221.000-725.40-	Fuel	\$427.35	
101-221.000-721.900	Small Tools & Minor Equip	\$53,579.62	
	TOTAL \$	89,740.58	

REASON: Unanticipated State of California reimbursement for strike team deployments. Proper budget line items reimbursed for the appropriate time period. Remaining revenue deposited into small tools and equipment for purchase of firefighting equipment.

PASSED, APPROVED AND ADOPTED at a special meeting of the Brawley City Council held on March 29, 2016.

CITY OF BRAWLEY, CALIFORNIA

Donald L. Wharton, Mayor

RESOLUTION NO. 2016-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BRAWLEY, CALIFORNIA AMENDING THE FISCAL YEAR
2015/2016 CITY OF BRAWLEY BUDGET.

Amendment No. 2016- : Department: City Manager

WHEREAS, Minute Order dated May 19, 2015 adopted the Fiscal Year 2015-2016 City of Brawley Budget and appropriated expenses on a cost center basis; and

WHEREAS, adjustments to the FY 2015-2016 General Fund Budget have been determined to be necessary.

THEREFORE, BE IT RESOLVED, that the FY 2015-2016 City of Brawley Budget is hereby amended as follows:

REVENUE

BUDGET NUMBERS	ACCOUNT NAME	INCREASE	DECREASE
<hr/>			
		TOTAL \$	

EXPENDITURES

BUDGET NUMBERS	ACCOUNT NAME	INCREASE	DECREASE
101-131.730.100	Professional Services	\$5,000	
		TOTAL \$5,000	

REASON: To obtain assistance with website content development.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Brawley City Council held March 29, 2016.

CITY OF BRAWLEY, CALIFORNIA

Donald L. Wharton, Mayor

ATTEST:

Alma Benavides, City Clerk

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: March 29, 2016

City Manager: 

PREPARED BY: Alan Chan, Engineering Technician II

PRESENTED BY: Yazmin Arellano, Public Works Director

SUBJECT: Contract Change Orders Nos. 1 and 2 for Contract 2015-20 Runway 26 End Safety Area Project

CITY MANAGER RECOMMENDATION: Authorize Contract Change Order Nos. 1 and 2 for Contract 2015-20 Runway 26 End Safety Area Project in the amount of \$17,420.00 to Hazard Construction Company and authorize the City Manager to execute all documentation in relation to this project.

DISCUSSION: On October 6, 2015, the City of Brawley City Council authorized Contract No. 2015-20 Runway 26 Safety Area Project to Hazard Construction Company in the amount of \$656,605.45. The project includes the temporary relocation of the Runway 26 threshold, removal of the existing end taxiway and associated lighting, construction of new end taxiway and associated lighting, signage and pavement markings, extension of drainage improvements, grading of safety areas and the restoration of Runway 26 threshold.

The project has encountered unforeseen circumstances that have prompted the proposed change orders, described as follows:

1. During the month of October 2016, the State Department of Toxic Substances Control (DTSC) required the City to install an Asphalt Concrete (AC) berm around the area designated for aviation fuel truck parking to contain any potential fuel spills. This work would have been a direct incidental cost to last year's Federal Aviation Administration Grant (FAA) for the Hangar Area Pavement Rehabilitation Project. However, this need was not identified until after the project was completed and the grant had closed.

\$7,920.00
2. The taxiway lighting circuit broke down due to a cause unrelated to the project. The City has been unsuccessful in repairing the problem due to the age of the equipment and parts no longer available. With the taxiway lighting circuit inoperable, it will not be possible to test the new taxiway lights and sign installed as part of the project and tied into the existing taxiway circuit. Through this change order, the contractor will diagnose the problem, check for short circuits and repair the taxiway lighting circuit, replacing the constant current regulator if necessary.

\$9,500.00

The Contractor will be paid the agreed price upon completion of the work. The above listed prices include full compensation for all labor, materials, tools and equipment required to complete the work in compliance with plans and original contract specifications and to the satisfaction of the Director of

Public Works. The revised total contract amount is \$674,025.45. The document shall become an Amendment to the Contract and all provisions of the Contract shall apply thereto.

FISCAL IMPACT: \$17,420.00 FY 15/16 Airport Capital Projects, 90% FAA Grant (\$15,678) and 10% Local Match Airport Fund (\$1,742)

ATTACHMENTS: Change Orders Nos. 1 and 2

City of Brawley
Public Works Department



CONTRACT CHANGE ORDER

Date: February 05, 2016	Project Name: Runway 26 End Safety Area
To: Hazard Construction Co	Contractor: Hazard Construction Co.
6465 Marindustry Drive	Contract No.: 2015-20
San Diego, CA 92121	Change Order No.: 001
Attn.: Mr. Brad Lothers, Project Manager	Schedule:
	Subject: Addition of AC Berm at Truck Park

Description and Justification of Change in Scope:

The State Department of Toxic Substances Control (DTSC) is requiring the City to install an AC berm around an area designated for aviation fuel truck parking to contain any potential fuel spills. This work would have been a direct incidental to AIP 15 for the Hangar Area Pavement Rehabilitation Project, however this need was not identified until after the project was completed and the grant recently closed.

Cost Estimates for the above:

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1	Construct AC Berm around Truck Parking	1	LS	\$7,920	\$7,920.00
TOTAL AMOUNT OF THIS CHANGE ORDER:					\$7,920.00

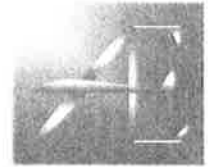
The contractor will be paid on a time and material basis not to exceed the amount stipulated above.

The above listed price includes full compensation for all labor, materials tools and equipment required to complete the work in compliance with the attached RFP and Contractor proposal to the satisfaction of the Director of Public Works.

There is no change to the contract completion date as a result of this change order. This document shall become an amendment to the contract and all provisions of the contract shall apply thereto.

TOTAL ADDITIVE CHANGE: Seven Thousand Nine Hundred and twenty Dollars and no cents.

Current Contract amount:	\$656,605.45	
Amount of Change:	\$7,920.00	
New Contract amount:		\$664,525.45



December 02, 2015

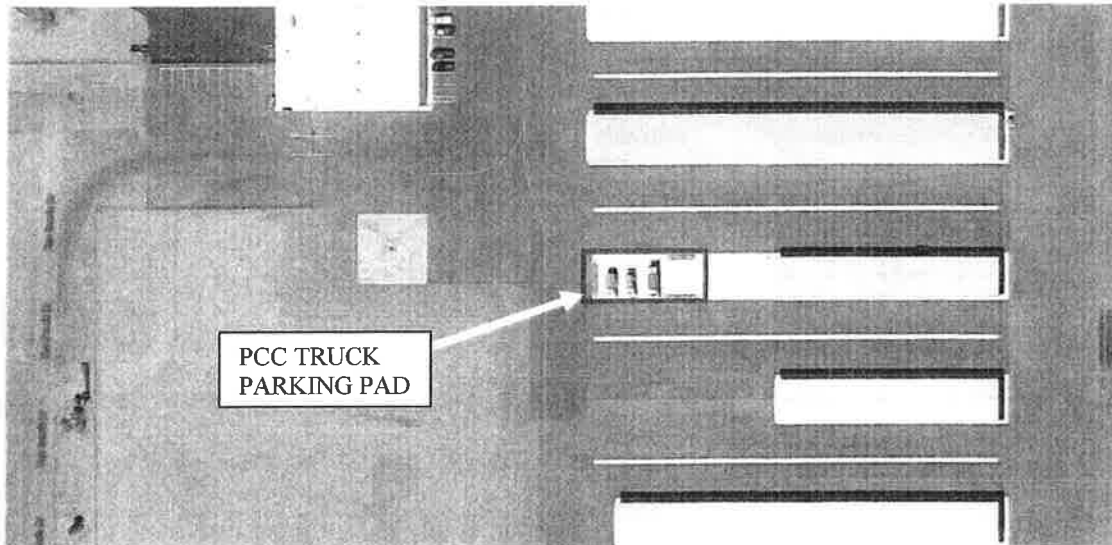
Mr. Jim Burns
Project Manager
Hazard Construction Company
6465 Marindustry Place
San Diego, CA 92121

RE: Cost Proposal to construct AC berm at Truck Parking

Dear Mr. Burns:

Please provide a cost proposal to construct an asphalt concrete berm around a portion of the PCC truck parking pad at Brawley Municipal Airport as a change order to the Runway 26 End Safety Area Project using the same mix and performed at the same time as the paving on that project to avoid additional mobilization costs.

The location of the berm is shown in red in the aerial photo below of the existing truck parking pad:



The berm shall be constructed on the existing AC pavement around the edge of the PCC truck parking pad on three sides, crossing the pad itself on its easterly side, as shown on the attached sketch, with a total length of 244 LF around the westerly 80 ft of the existing PCC pad.

The berm shall be 12" wide at its base and 4" high, with its top being about 4" wide. Fourteen (14) 1½" PVC drain pipes with removable plugs at each end shall be installed

Mr. Jim Burns
Request for Cost Proposal for AC Berm at Truck Parking

December 02, 2015
Page 2 of 2

at 12 ft intervals (aligned with the PCC joints) along the southerly and northerly segments of the berm, as shown on the sketch.

If you have any questions please do not hesitate to give me a call.

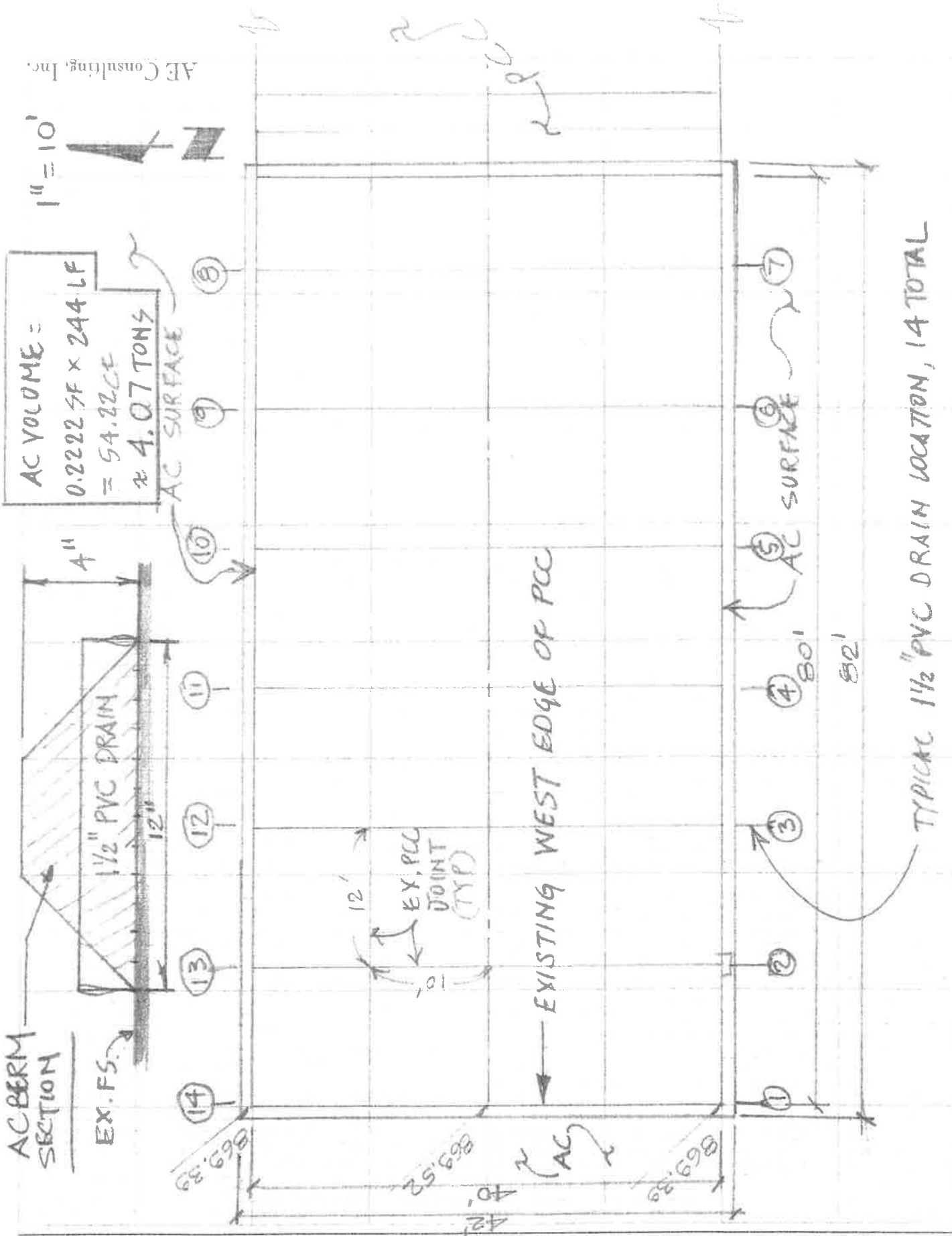
Sincerely,
AE Consulting, Inc.

A handwritten signature in black ink, appearing to read "P. D. Bonello".

Peter D. Bonello, P.E.
President and Principal Civil Engineer

Attachment: Sketch of AC Berm showing Plan at 1" = 10' and Section at 1" = 4"







Phone (858) 587-3600
Fax (858) 453-6034
6465 Marindustry Drive
San Diego, CA 92121
hazardconstruction.com
License No. 750542A

Date 12/18/15

Budget Analysis No. 1

A. E. Consulting, Inc.
143 Yorba St.
Tustin, Ca. 92780
714-573-1211

Attention: Peter Bonello

Re: Municipal Airport Runway 26 End Safety Area
Air Project No. 3-06-0028-017-15
Brawley, California
HCC No. 15035

Gentlemen:

This letter and the following breakdown are written as a result of proposed extra work on the above referenced project.

I. Contract Addition / Deduction	Approx. Amt.	Unit Price	Total
A. Containment Berm			
1. Construct 4" H x 12"W Containment Berm with 14 EA X 1.5" D Drainage Pipe Outlets	240 LF @	\$33.00 / LF =	\$7,920.00
Notes: Bid with non FAA Spec Berm Mix in a speed bump configuration. To be installed while other paving work is on-going.		Total:	\$7,920.00

Please issue a contract change order to allow for this revision to our contract scope of work. Thank you for your cooperation.

Sincerely,
HAZARD CONSTRUCTION COMPANY


Jim Burns
Project Manager

Agreed and Accepted:
City of Brawley

By: _____
Signature
Name/Title: _____
Printed
Date: _____

JB:sk

cc: Superintendent, File



CONTRACT CHANGE ORDER

Date: March 04, 2016	Project Name: Runway 26 End Safety Area
To: Hazard Construction Co 6465 Marindustry Drive San Diego, CA 92121	Contractor: Hazard Construction Co. Contract No.: 2015-20 Change Order No.: 002
Attn.: Mr. Brad Lothers, Project Manager	Schedule: Subject: Repair of Taxiway Lighting Circuit

Description and Justification of Change in Scope:

The taxiway lighting circuit broke down several weeks ago due to some cause that is unrelated to the Project. The City's maintenance personnel have been unsuccessful in repairing the problem due to the age of the equipment and parts no longer available. With the taxiway lighting circuit inoperable it will not be possible to test the new taxiway lights/sign installed as a part of the project and tied into the existing taxiway circuit. Through this change order the Contractor will diagnose the problem, check for short circuits and repair the taxiway lighting circuit, replacing the constant current regulator if necessary.

Cost Estimates for the above:

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1	Repair Taxiway Lighting Circuit	1	LS	\$9,500	\$9,500.00
TOTAL AMOUNT OF THIS CHANGE ORDER:					\$9,500.00

The contractor will be paid on a time and material basis not to exceed the amount stipulated above.

The above listed price includes full compensation for all labor, materials tools and equipment required to complete the work in compliance with the Contractor proposal to the satisfaction of the Director of Public Works.

The contract completion date will be changed as a result of this change order to coincide with the completion of the work with the understanding that time is of the essence and work will begin as soon as this change order is approved. This document

City of Brawley
Public Works Department




CONTRACT CHANGE ORDER

shall become an amendment to the contract and all provisions of the contract shall apply thereto.

TOTAL ADDITIVE CHANGE: Seven Thousand Nine Hundred and twenty Dollars and no cents.

Current Contract amount:	\$664,525.45	
Amount of Change:	\$9,500.00	
New Contract amount:		\$674,025.45

CITY OF BRAWLEY:

City:		03/04/16
	Construction Manager	Date
City:	Director of Public Works	Date
City:	City Manager	Date
City:	Director of Finance	Date

CONTRACTOR:

Accepted By:	_____	Date:	_____
Title:	_____		

FAA:

Accepted By:	_____	Date:	_____
Title:	_____		



Phone (858) 587-3600
Fax (858) 453-6034
6465 Marindustry Place
San Diego, CA 92121
hazardconstruction.com
License No. 750542A/B

March 3, 2016

AE Consulting
143 Yorba St.
Tustin, CA 92780

OC #003
Via: E-mail

Attn: Mr. Peter Bonello

RE: Brawley Municipal Airport
Runway 26 End Safety Area
AIP No. 3-06-0028-17-15
Hazard Job No. 15035

Subject: Cost Proposal – Repair of Existing Lighting Circuits

Dear Mr. Bonello,

We are pleased to provide the following cost proposal to perform extra work to diagnose and repair the existing lighting circuits per your request.

Work to be performed by Serna Engineering at the following not-to-exceed price:

• Labor and equipment (3 days for 2 men)	\$3,840.00
• Materials (constant current regulator)	<u>3,500.00</u>
Subcontractor subtotals	7,340.00
20% Contingency	<u>1,468.00</u>
Subcontractor totals	8,808.00
5% Contractor mark-up	<u>440.40</u>
Total	9,248.40

We propose that any adjustment of contract time be differed until completion of the work as it is not possible at this time to know the time required to procure the regulator or any other materials that may be determined to require replacement.

Please call me at (858) 257-6001 if you have any questions or require further information.

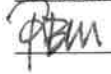
Sincerely,

A handwritten signature in cursive script, reading "Bradley T. Lothers". The signature is written in dark ink and is positioned above the printed name.

Bradley T. Lothers
Project Manager

CC: H. Redondo, Serna
M. Thunder, HC
A. Clukey, HC

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: March 29, 2016
City Manager: 

PREPARED BY: Ana Gutierrez, Labor Compliance/Contracts Officer

PRESENTED BY: Yazmin Arellano, Public Works Director

SUBJECT: Project No. 2016-02 3 Million Gallon Airport Reservoir Improvements

CITY MANAGER RECOMMENDATION: Award Contract to West Coast Industrial Coatings, Inc. for Project No. 2016-02 3 Million Gallon Airport Reservoir Improvements in the amount of \$377,949.00, authorize a 15% contingency in the amount of \$56,692.35 and authorize the City Manager to execute all documentation in relation to this project.

DISCUSSION: On February 12, 2016, the Engineering Department advertised the 3 Million Gallon Airport Reservoir Improvements which consist of surface preparation of the interior and exterior of the tank, removal and disposal of the lining and coating system, testing of the tank lining and coating system for lead, procedures for containment, collection, temporary storage, and re-coating of the interior and exterior of the tank.

On March 22, 2016 the City of Brawley received 5 bids as follows:

West Coast Industrial Coatings, Inc. Hemet, CA	\$377,949.00
Blastco, Inc. Downey, CA	\$387,500.00
Advanced Industrial Services, Inc. Los Alamitos, CA	\$455,500.00
Spiess Construction Con., Inc. Santa Maria, CA	\$521,035.00
Crosno Construction, Inc. Arroyo Grande, CA	\$531,000.00

The bids received are reasonable and approval to the lowest bidder is recommended.

FISCAL IMPACT: \$377,949.00 and \$56,692.35 as a 15% contingency if needed
FY 2015/16 Water Enterprise Fund

ATTACHMENTS:

Bid Results

BID SUMMARY FOR SPECIFICATION NO. 2016-02 3 Million Gallon Airport Reservoir Improvements

BID OPEN DATE: March 22, 2016 @ 2:00 PM

CONTRACTOR	BID SCHEDULE	
<p>Spieess Construction Co., Inc. P.O. Box 2849 Santa Maria, CA 93457</p>	<p>Base Bid \$462,895.00 Additive Bid #1 \$58,140.00</p>	<div> <input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of 3 Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification </div>
<p>Advanced Industrial Services, Inc. 11261 Weatherby Road Los Alamitos, CA 90720</p>	<p>Base Bid \$376,000.00 Additive Bid #1 \$79,500.00</p>	<div> <input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of 3 Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification </div>

<p>Blastco Inc. 11905 Regentview Avenue Downey, CA 90241</p>	<p>Base Bid \$331,500.00 Additive Bid #1 \$56,000.00</p>	<div> <input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of 3 Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification </div>
<p>Crosno Construction, Inc. 819 Sheridan Road Arroyo Grande, CA 93420</p>	<p>Base Bid \$478,850.00 Additive Bid #1 \$52,150.00</p>	<div> <input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of 3 Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification </div>

<p>West Coast Industrial Coatings, Inc. 3883 Wentworth Drive Hemet, CA 92545</p>	<p>Base Bid \$283,461.00 Additive Bid #1 \$94,488.00</p>	<p> <input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of 3 Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clauses <input checked="" type="checkbox"/> Equal Employment Opportunity Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification </p>
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COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: 3/29/2016

City Manager: 

PREPARED BY: Ruben Mireles, Operations Division Manager

PRESENTED BY: Yazmin Arellano, P.E., Public Works Director

SUBJECT: Agreement with SCADA INTEGRATIONS to Provide Professional Services for Programmable Logic Controller (PLC) Conversion at the City of Brawley Water Treatment Plant

CITY MANAGER RECOMMENDATION: Authorize Agreement with SCADA INTERGRATIONS to provide Professional Services for PLC Conversion at the City of Brawley Water Treatment Plant in the amount of \$75,750.00 and authorize the City Manager to execute all documents in relation to this project.

DISCUSSION: The City Council authorized the purchase of Programmable Logic Controllers (PLC) for the City of Brawley Water Treatment Plant's SCADA System at the March 15, 2019 meeting. These PLC's are part of the SCADA system that has been operating for the last 18 years at the facility. Staff has been working with SCADA INTEGRATIONS to replace the PLC's. The first phase of implementation was the purchase of the PLC components. The second phase of system implementation includes software programming, installation and verification of complete data migration, testing, confirmation, and transfer.

SCADA INTEGRATIONS' proposed scope is as follows:

1. Import of existing Allen Bradley PLC 5 ladder logic into Allen Bradley ControlLogix
2. Modification of PLC program communication blocks to instead use Ethernet communications
3. Offsite configuration and testing of interconnected PLC system
4. Configuration of two new SCADA workstations
5. Import of the existing Wonderware InTouch application into InTouch version 2014R2 (AKA version 11.1)
6. Offsite testing of Wonderware SCADA interface with PLC system
7. Removal of existing Allen Bradley PLC 5 equipment
8. Onsite installation of Allen Bradley ControlLogix PLC hardware
9. Onsite integration of SCADA workstations
10. Onsite IO testing
11. Onsite system functional testing and confirmation between Wonderware InTouch interface and the Allen Bradley ControlLogix processors
12. Providing of an archive of all PLC software programming logic to the City of Brawley
13. Providing of an archive of the Wonderware InTouch application to the City of Brawley

The new operating software and its integration will update the City's Water Treatment Plant to 2016 SCADA standards with the latest technology. Implementation will enable the facility to function and operate correctly well into the next 15 to 20 years.

Staff have reviewed all tasks associated with the proposed fee and approval is recommended.

FISCAL IMPACT: \$75,750.00 FY 15/16 Budget Fund 501.321.000.800.400

ATTACHMENTS: Agreement
SCADA Integrations Proposal dated March 4, 2016

**CITY OF BRAWLEY
CONSULTING SERVICES CONTRACT
PROFESSIONAL SERVICES
PROGRAMMABLE LOGIC CONTROLLER (PLC) CONVERSION FOR THE WATER
TREATMENT PLANT**

- 1.0 **The Parties.** This Contract is made by and between the City of Brawley ("City") and SCADA INTEGRATIONS, ("Consultant").
- 2.0 **Paragraph Headings and Definitions.** Paragraph headings in this Contract are for convenience only, and are not to be construed to define, limit, expand, interpret, or amplify the provisions of this Contract. When initially capitalized in this Contract or amendments hereto, the following words or phrases shall have the meanings specified:
- 2.1 **Professional Efforts.** Those efforts that a competent, experienced, and prudent Consultant would use to perform and complete the requirements of this Contract in a timely manner, exercising the degree of care, competence, and prudence customarily imposed on a Consultant performing similar work in the State of California.
- 2.2 **Contract.** This Contract, including all referenced documents, between City and Consultant for the performance of the Work, and any subsequent written modifications or amendments executed by City and Consultant.
- 2.3 **Consultant.** The legal entity that executes this Contract with City to perform the Work.
- 2.4 **Force Majeure.** An act of God, or event beyond the control of a party, including an act or omission of government, act or omission of civil or military authority, strike or lockout, act of a public enemy, war, blockade, insurrection, riot, epidemic, landslide, earthquake, fire, storm, lightning, flood, washout, or civil disturbance which could not have been avoided through the exercise of reasonable care and prudence.
- 2.5 **Contract Manager.** The title of the person designated by City to be its representative with authority to act for City regarding this Contract and the Work of Consultant.
- 2.6 **Work.** All or a part or phase of the obligations undertaken by Consultant pursuant to the Contract.
- 3.0 **Time of Contract.** Consultant shall perform the services required under this Contract within 180 calendar days from the date of the Contract.
- 4.0 **Scope of Work.** City hereby retains and engages Consultant, and Consultant accepts such engagement to provide Professional Services for Programmable Logic Controller (PLC) Conversion for the Water Treatment Plant.
- 4.1 Details of Scope of Work are contained in the Proposal for Professional Services, dated March 4, 2016, attached herewith as Exhibit A and by this reference made a part hereof and are here referenced below.
- 5.0 **Manner of Compensation.** For performance of services rendered pursuant to this Contract, City will pay Consultant fee based on the following, subject to the limitation of the maximum expenditure provided herein:
- 5.1 **Maximum Fee.** The maximum fee under this Contract is Seventy-five Thousand Seven Hundred Fifty (\$75,750.00) Dollars without prior express written consent of City. In the event that consultant anticipates the need for services in excess of the amount, the City shall be notified immediately in writing. Details of the Fee Proposal are included as part of Exhibit A.
- 5.2 **Extra Work.** Consultant shall not perform extra work of any kind without prior express written consent of City.

6.0 Payment

City shall pay consultant for Services rendered by consultant hereunder on the basis of monthly invoices for the period ending on the final day of the month. City shall pay each invoice within 30 days after receipt. Invoices shall include, project description, the description and breakdown of costs, the month such costs were incurred, total expenses billed to date, invoice number and invoice date. All invoices shall be sent to City. Attention: Guillermo Sillas. See Section 22.2, "Notice and Communications".

- 6.1 Compensation. Monthly progress payments shall be billed and based on the actual percentage of work completed. The progress of the work and payment due shall be recorded on a Progress Payment Form, appearance of which will be approved by City. Percent completion justification per task shall be part of monthly invoice. See Exhibit B for a sample of a typical invoice.
- 6.2 Billing Dispute. In the event City disputes the amount of an invoice, it shall notify Consultant within 20 days of receipt of the invoice and otherwise timely pay any undisputed portion of the invoice.

7.0 Records and Audits

- 7.1 Books and Records. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City.
- 7.2 Audit. City may perform an audit of the time based and reimbursable expense costs of any given Work Order. City shall not have access to Consultant's composition of fixed overhead rates or lump sums, the financial make up of payroll burdens or to any costs expressed as a percentage of direct labor costs.
- 7.3 Document Retention. Consultant shall maintain all above documents and records, which demonstrate performance under this Contract for a minimum of three years, or for any longer period required by law, from the date of termination or completion of this Contract.

8.0 Control of Work.

Consultant shall report on all Work performed for City through City's Contract Manager and any designated representatives. Consultant shall comply with any coordination and completion criteria specified by City, and shall diligently prosecute each phase of the Work.

9.0 Ownership of Documents

- 9.1 Documents. Original project documents, including reproducible record prints of drawings, calculations, estimates, designs, specifications, field notes and data prepared in the course of performing the Work with the exception of those standard details and specifications regularly used by the Consultant in its normal course of business shall upon payment of all amounts rightfully owed by the City to the Consultant herein become the property of City. All final reports including reconnaissance reports, pre-feasibility reports and feasibility reports shall upon payment of all amounts rightfully owed by the City to the Consultant herein be the property of City. Consultant may retain copies of said documents and reports. Any reuse or modification of such Documents for purposes other than those intended shall be provided at the City's sole risk and without liability to the Consultant.
- 9.2 Confidentiality. In performing services under this Contract Consultant will gain access to proprietary information concerning City's business and operations. All ideas memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Contract shall be held confidential by Consultant. Consultant shall not, without the prior written consent of City, use such materials for any purposes other than the performance of the work under this Contract. Nor shall such materials be disclosed to any person or entity not connected with the performance of the work under this Contract. Nothing furnished to Consultant, which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs relating to the project for which Consultant's services are rendered, or any publicity pertaining to the Consultant's services under this Contract in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

It is hereby agreed that the following information is not considered to be confidential under this Agreement:

- a) Information already in the public domain;
- b) Information disclosed to the Consultant by a third party who is not under a confidentiality obligation;

- c) Information developed by or in the custody of the Consultant before entering into this Agreement;
- d) Information developed by Consultant through its work with other clients; and
- e) Information required to be disclosed by law or regulation, including, but not limited to, subpoena, court order or administrative order.

10.0 Duties of Consultant

- 10.1 Degree of Care. In the performance of its services hereunder, Consultant shall exercise that degree of skill and judgment commensurate with that which is normally exercised by recognized professional Consultants in the same discipline, with respect to services of a similar nature, in accordance with all applicable rules, laws and regulations at the same time and in the same locality.
- 10.2 Licenses. Consultant represents to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature, which are legally required of Consultant to practice its profession. Consultant represents to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Contract, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession.
- 10.3 Correction of Improper Services. Consultant shall perform or correct any portions of the work not performed in accordance with the standard of care specified herein, provided that Consultant is notified in writing of nonconformity within a reasonable time after discovery by City of the nonconforming service. Consultant shall perform the remedial services at no additional cost to the City.

11.0 Suspension

City may, upon 10 calendar day written notice, direct Consultant to suspend performance on any or all of the services under the Contract for a specified period of time. If any suspension is not occasioned by the fault of Consultant, this Contract may be supplemented to compensate Consultant for extra costs incurred due to the suspension, provided that any claim for adjustment is supported by appropriate cost documentation, subject to audit, and asserted within twenty days after the date City issues a notice for resumption of the services under the Contract. Consultant shall be entitled to an extension to any work schedule to the extent a delay was caused by the suspension. Upon receipt of a suspension notice, Consultant shall (1) discontinue the Work under the Contract, (2) place no further orders or subcontracts, (3) suspend all orders and subcontracts, (4) protect and maintain all completed Work, and (5) otherwise mitigate City's costs and liabilities for those areas of work suspended. Services under the Contract shall be resumed by Consultant after such suspension on 10 calendar day written notice from City.

12.0 Termination

Under the terms hereunder, City may, at any time and for any reason, terminate this Contract upon not less than 21 day written notice to Consultant. Under such circumstances, this Contract shall terminate on the date set forth in such written notice.

- 12.1 Termination for Cause. If Consultant shall fail to diligently, timely and expeditiously perform any of its respective obligations under this Contract, and such failure shall have continued for 10 days after City has delivered written notice thereof to Consultant; or Consultant shall make a general assignment for the benefit of its creditors, a receiver or trustee shall have been appointed on account of Consultant's insolvency, Consultant otherwise shall be or become insolvent, or an order for relief shall have been entered against Consultant under Chapter 7 or Chapter 11 of Title 11 of the United States Code; or Consultant otherwise shall be in default under the Contract and such default shall not have been cured within 10 days after City has delivered written notice to Consultant; then, City, upon 7 days' prior written notice to Consultant, immediately may terminate this Contract for cause.
 - 12.1.1 Upon termination of this Contract for cause, Consultant shall be entitled only to payment of that portion of services performed for which Consultant has not been paid and which Consultant has actually satisfactorily performed, up to the date of such termination; provided, however, that: No allowance shall be included for any out-of-pocket costs and expenses incurred by Consultant by reason of the termination of this Contract.
 - 12.1.2 Nothing contained in this Contract shall limit in any manner any rights or remedies otherwise available to City by reason of a default by Consultant under this Contract

including, without limitation, the right to seek full reimbursement from Consultant for all costs and expenses incurred or to be incurred by City by reason of Consultant's default hereunder and which City would not have otherwise incurred if Consultant had not defaulted hereunder.

- 12.2 Termination For Convenience - In the event that City terminates this Contract for reasons other than those set forth above Consultant shall be entitled to payment for services performed which have not been paid to Consultant and which shall compensate Consultant for all services actually and satisfactorily performed by Consultant up to the date of such termination.
- 12.3 Duties of Consultant Upon Termination - Upon any termination of this Contract Consultant shall:
- 12.3.1 Discontinue all of its services under the Contract from and after the date of the notice of termination, except as may be required to complete any item or portion of work to a point where discontinuance will not cause unnecessary waste or duplicative work or cost.
- 12.3.2 Cancel, or, if so directed by City, transfer to City all or any of the commitments and Contracts made by Consultant relating to the services, to the extent they may be canceled or transferred by Consultant.
- 12.3.3 Transfer to City in the manner, to the extent, and at the time directed by City, all supplies, materials and other property produced as a part of, or acquired in the performance of Consultant's services.
- 12.3.4 Take such other actions as City may reasonably direct.

13.0 Insurance

Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant agrees to provide insurance in accordance with the requirements set forth herein. If Consultant uses existing coverage to comply with these requirements and that coverage does not meet the requirements, Consultant agrees to modify the existing coverage to do so. The following coverages will be provided by Consultant and maintained on behalf of City and in accordance with the following requirements:

- 13.1 Commercial General Liability Insurance. Commercial General Liability coverage at least as broad as Insurance Services Office form CG 00 01. No claims made or modified occurrence forms will be accepted. Total limits for all coverages shall be no less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. Coverage shall include bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. The policy shall be endorsed to provide that City of Brawley and its officers, officials, employees, and agents are additional insureds. This provision shall also apply to any excess policies.
- 13.2 Business Auto Liability Insurance. Business auto coverage at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Consultant arising out of or in connection with the Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles. Limits shall be no less than \$1,000,000 combined single limit per accident.
- 13.3 Workers' Compensation. Workers' Compensation coverage providing workers' compensation statutory benefits as required by law and Employer's Liability Insurance no less than \$1,000,000 per accident. Consultant shall submit to City, along with the certificate of insurance, a Waiver Subrogation endorsement in favor of City of Brawley, its officers, agents, and employees. (This provision shall not apply if Consultant has no employees performing work under this Agreement, however, in such case Consultant must sign the "Certificate of Exemption from Workers Compensation Insurance" included below.

- 13.4 Professional Liability Insurance. Professional Liability (Errors and Omissions) insurance covering the services to be performed in connection with this Agreement shall be maintained with policy limits of not less than \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement.

14.0 Indemnification

For Professional Liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or sub-consultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

For other than Professional Liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceeding, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including by not limited to officers, employees or subcontractors of Consultant.

15.0 Relationship of Parties

Consultant shall, for all purposes, be an independent contractor as to City and under no circumstances shall the relationship of employer and employee arise between the agents or employees of Consultant and City.

16.0 Assignment and Subcontracting

- 16.1 Non-Assignment. A substantial inducement to City for entering into this Contract is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Contract will be permitted only with the express consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Contract without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Contract shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.

- 16.2 Successors and Assigns. This Contract shall be binding upon the successors and assigns of each of the parties hereto in respect to all of the provisions hereof. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any of the parties, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the parties to this Contract.

17.0 Laws and Regulations

Consultant will comply in the performance of the Contract with all laws and regulations applicable to Consultant in its performance of the Contract.

18.0 Force Majeure

In the event either party by reason of a Force Majeure is rendered unable to perform its duties under this Contract then upon the party giving written notice of the particulars and estimated duration of Force

Majeure to the other party within 5 calendar days after knowledge of the occurrence of the Force Majeure, the party may have the time for performance of its duties extended for the period equal to the time performance is delayed by the Force Majeure. The effects of the Force Majeure shall be remedied with all reasonable dispatch, and the party giving notice shall use Best Efforts to eliminate and mitigate all consequences. A Force Majeure for which notice has not been given shall be an un-excused delay.

19.0 Attorneys' Fees

If either party to this Contract shall bring any action, claim, appeal, or alternative dispute resolution proceedings, for any relief against the other, declaratory or otherwise, to enforce the terms of or to declare rights under this Contract (collectively, an Action), the losing party shall pay to the prevailing party a reasonable sum for attorneys' fees and costs incurred in bringing and prosecuting such Action and/or enforcing any judgment, order, ruling, or award (collectively, a Decision) granted therein. Any Decision entered in such Action shall provide for the recovery of attorneys' fees and costs incurred in enforcing such Decision. The court or arbitrator may fix the amount of reasonable attorneys' fees and costs on the request of either party. For the purposes of this paragraph, attorneys' fees shall include, without limitation, fees incurred in the following: (1) post-judgment motions and collection actions; (2) contempt proceedings; (3) garnishment, levy, and debtor and third party examinations; (4) discovery; and (5) bankruptcy litigation. "Prevailing party" within the meaning of this paragraph includes, without limitation, a party who agrees to dismiss an Action on the other party's payment of the sums allegedly due or performance of the covenants allegedly breached, or who obtains substantially the relief it seeks.

20.0 Governing Law and Venue

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Contract shall be tried and litigated exclusively in State court located in the County of Imperial, State of California and Federal court located in the County of San Diego, State of California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the parties with respect to or arising out of this Contract in any jurisdiction other than that specified in this paragraph. Each party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this paragraph, and stipulates that the State and Federal courts located in the Counties of Imperial and San Diego, respectively, California, shall have in person jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Contract. Each party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Contract.

21.0 Integration

This Contract and any exhibits hereto, as well as other documents referred to in this Contract, constitute the Entire Contract between the parties with regard to the subject matter hereof and thereof. This Contract supersedes all previous Contracts between or among the parties. There are no Contracts, representations, or warranties between or among the parties other than those set forth in this Contract.

22.0 Authorized Representatives and Notices

22.1 Representatives. Prior to commencement of the work under the Contract, City and Consultant shall agree on the designation of a representative authorized to act in behalf of each party.

22.2 Notice and Communications. All communications relating to the day-to-day activities under this Contract shall be exchanged between the representatives of City and Consultant. All legal notices and communications required under or related to this Contract shall be in writing, and shall be delivered personally or mailed by certified mail, postage prepaid, return receipt requested, to the representatives of City and Consultant identified below. Notice shall be effective on the date of delivery.

TO: City of Brawley
Guillermo Sillas, City Engineer
180 South Western Avenue
Brawley, CA 92227
Phone: (760) 344-5800 Ext. 14
Fax: (760) 344-5612
E-mail: gsillas@brawley-ca.gov

TO: SCADA Integrations
Mark Maxfield, President
6965 El Camino Real, Ste. 105-109
Carlsbad, CA 92009
Phone: (951) 541-1575
E-mail: Mark@scadaintegrations.com

22.3 A party may change or supplement the information exchanged concerning authorized representatives and notices by giving the other party written notice of the new information in the manner set forth above.

23.0 Waiver

The failure of City to insist upon strict performance of any of the terms and conditions of this Contract, or to exercise or delay the exercise of any rights or remedies provided by this Contract or by law, or the acceptance of work or payment for work shall not release Consultant from any of the responsibilities or obligations imposed by law or by this Contract and shall not be deemed a waiver of any right of City to insist upon strict performance of this Contract. None of the provisions of the Contract shall be considered waived by either party except when such waivers are agreed upon in writing by the parties.

24.0 Survival of Obligations and Liabilities

The termination, cancellation, or acceptance of the work under the Contract shall not relieve Consultant of its obligations for work completed prior to the effective date of such termination, cancellation, or acceptance, nor shall it relieve Consultant of its liabilities at law or under this Contract.

25.0 Severability

If any provision of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Contract shall not be affected thereby, and each such provision shall be valid and enforceable to the fullest extent permitted by law. However, if either party in good faith determines that the finding of illegality or un-enforceability adversely affects the material consideration for its performance under this Contract such party may, by giving written notice to the other party, terminate this Contract.

26.0 Execution and Effective Date. This Contract has been executed by the duly authorized officers of the parties and shall be effective as of the _____ day of _____, _____.

Dated: _____, 2016.

CITY OF BRAWLEY, CALIFORNIA

By: _____
Rosanna B. Moore, City Manager

ATTEST:

By: _____
Alma Benavides, City Clerk

Dated: _____, 2016.

CONSULTANT: SCADA INTEGRATIONS

By: _____
Mark Maxfield, President

**CITY OF BRAWLEY
EXHIBIT A
SCOPE OF SERVICES
CONSULTING SERVICES CONTRACT
PROFESSIONAL SERVICES
PROGRAMMABLE LOGIC CONTROLLER (PLC) CONVERSION FOR THE WATER
TREATMENT PLANT**

1.0 General Scope of Work

The General Scope of Work is for Consultant to provide Professional Services for Programmable Logic Controller (PLC) Conversion for the Water Treatment Plant.

2.0 Specific Scope of Work

- 2.1 Details of Scope of work are contained in the Proposal for Professional Services for Programmable Logic Controller (PLC) Conversion for the Water Treatment Plant dated March 4, 2016.

EXHIBIT B

Typical Monthly Invoice

Consultant's Letterhead

City of Brawley

Project Title: Programmable Logic Controller (PLC) Conversion for the Water Treatment Plant.

Services from: (Date) to (Date)

Total Contract Amount
Previously Billed
Current Billing
Billed to Date
Amount Remaining
Percent Completion Per Task*
Total This Invoice

*Percent Completion shall be justified and be part of the invoice.

Attach backup information, if applicable.

SCADA INTEGRATIONS

6965 El Camino Real, Suite 105-109, Carlsbad, California 92009
951-541-1575

March 4, 2016

Ms. Yazmin Arellano, P.E.
Public Works Director/City Engineer
City of Brawley
180 South Western Avenue
Brawley, California 92227

Subject: Professional Services for PLC conversion

Dear Ms. Arellano:

We have appreciated the opportunity to work with your staff in creating the architecture and approach for the city of Brawley PLC conversion!

Through several meetings with your district personnel as well as multiple onsite reviews and testing we have identified a course of action to upgrade the obsolete Allen Bradley programmable logic controller (PLC) components with the state of the art replacement components identified by the Allen Bradley distributor (OneSource). Our focus has been on ensuring that the most reliable and cost effective path is taken.

The scope of this professional services agreement is to provide all services related to the PLC conversion, including the upgrade of the Wonderware workstations.

SCOPE OF SERVICES

The scope of this project is software programming, installation of all equipment and confirmation of operation. All parts will be purchased by the city of Brawley directly from OneSource. The following are the detailed tasks regarding this project:

- Import of existing Allen Bradley PLC 5 ladder logic into Allen Bradley ControlLogix.
- Modification of PLC program communications blocks to instead use ethernet communications.
- Offsite configuration and testing of interconnected PLC system.
- Configuration of two new SCADA workstations (provided by the city of Brawley)
- Import of the existing Wonderware InTouch application into InTouch version 2014R2 (also known as version 11.1)
- Offsite testing of Wonderware SCADA interface with PLC system.
- Removal of existing Allen Bradley PLC 5 equipment.
- Onsite installation of complete Allen Bradley ControlLogix PLC hardware.
- Onsite integration of SCADA workstations.
- Onsite IO testing.
- Onsite system functional testing and confirmation between Wonderware InTouch interface and the Allen Bradley ControlLogix processors.

- Providing of an archive of all PLC software programming logic to the city of Brawley.
- Providing of an archive of the Wonderware InTouch application to the city of Brawley.

ITEMS REQUIRED FOR PROJECT

The following is a summary of the parts required for this project. All parts will be purchased directly from the vendor under the guidance of SCADA Integrations:

- Allen Bradley ControlLogix processors, IO cards, IO adapter modules and switches (as detailed on the OneSource bill of materials provided separately to the district)
- Two SCADA workstations
- Two copies of Wonderware InTouch version 2014R2

TIME OF COMPLETION

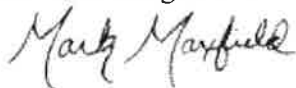
The action items will be completed within two months of all of the equipment being provided to SCADA Integrations.

COMPENSATION

We propose that compensation for the services described above be on a fixed price basis. As a fixed price agreement, the cost of the professional services (as detailed below) will be \$75,750.

We look forward to the opportunity to provide these professional services to the city of Brawley and we look forward to working with you and your staff! If you have any questions, contact Mark Maxfield at (951) 541-1575 or at Mark@scadaintegrations.com.

Sincerely,
SCADA Integrations



Mark Maxfield
President

Accepted _____ (date)

CITY OF BRAWLEY

SCADA INTEGRATIONS

FIXED PRICE QUOTE

Effective calendar year 2016

Summary of tasks:

PLC descriptor restoration in the two remaining PLC's-----	\$2,500
Convert three PLC 5 - RSLogix 5 programming to Controllogix -----	\$12,500
Integrate Micrologix controller data with new Controllogix controller-----	\$1,500
Wonderware modifications and driver configuration-----	\$3,000
Offsite configuration of two new SCADA workstations (provided by district) -----	\$6,250
Offsite testing of converted PLC program and ControlLogix controller configuration.-----	\$10,000
Onsite prep work (network component installation and network confirmation) -----	\$2,500
Onsite PLC hardware installation (onsite team of 3 hardware specialists) -----	\$5,000
Onsite IO testing and confirmation (onsite team of 3 hardware specialists) -----	\$7,500
Onsite PLC program commissioning and startup support -----	\$6,250
Onsite Wonderware commissioning and startup support -----	\$3,750
Contingency items -----	\$7,500
Warranty support-----	\$7,500

TOTAL \$75,750

SCADA INTEGRATIONS

Terms and Conditions for Professional Services

1. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting and related services performed or furnished by INTEGRATOR and its employees under this Agreement will be the care and skill ordinarily used by members of INTEGRATOR's profession practicing under the same or similar circumstances at the same time and in the same locality. INTEGRATOR makes no warranties, express or implied, under this Agreement or otherwise, in connection with INTEGRATOR's services.

2. INSURANCE/INDEMNITY

INTEGRATOR agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$1,000,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$2,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$2,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which INTEGRATOR is legally liable. OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. INTEGRATOR agrees to indemnify OWNER for claims to the extent caused by INTEGRATOR's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; and/or cost of capital) arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract.

3. OPINIONS OF PROBABLE COST (COST ESTIMATES)

Any opinions of probable project cost or probable construction cost provided by INTEGRATOR are made on the basis of information available to INTEGRATOR and on the basis of INTEGRATOR's experience and qualifications, and represents its judgment as an experienced and qualified professional INTEGRATOR. However, since INTEGRATOR has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor's methods of determining prices, or over competitive bidding or market conditions, INTEGRATOR does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost INTEGRATOR prepares.

4. CONSTRUCTION PROCEDURES

INTEGRATOR's observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. INTEGRATOR shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. INTEGRATOR shall not be responsible for the acts or omissions of the contractor or other parties on the project. INTEGRATOR shall be entitled to review all construction contract documents and to require that no provisions extend the duties or liabilities of INTEGRATOR beyond those set forth in this Agreement. OWNER agrees to include INTEGRATOR as an indemnified party in OWNER's construction contracts for the work, which shall protect INTEGRATOR to the same degree as OWNER. Further, OWNER agrees that INTEGRATOR shall be listed as an additional insured under the construction contractor's liability insurance policies.

5. CONTROLLING LAW

This Agreement is to be governed by the law of the state where INTEGRATOR's services are performed.

6. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard

Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are deemed necessary by INTEGRATOR. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional system integration and related services hereunder, it is understood by OWNER that INTEGRATOR is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by INTEGRATOR, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by INTEGRATOR.

7. SUCCESSORS AND ASSIGNS

OWNER and INTEGRATOR, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor INTEGRATOR will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other.

8. TERMINATION OF AGREEMENT

OWNER or INTEGRATOR may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs INTEGRATOR incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

9. SEVERABILITY

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

10. INVOICES

INTEGRATOR will submit invoices twice a month for services rendered and OWNER will make prompt payments in response to INTEGRATOR's invoices.

INTEGRATOR will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support Terms & Conditions for Professional Services 2 (5/2014) of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request. If OWNER disputes any items in INTEGRATOR's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify INTEGRATOR of the dispute and request clarification and/or correction. After any dispute has been settled, INTEGRATOR will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only. OWNER recognizes that late payment of invoices results in extra expenses for INTEGRATOR. INTEGRATOR retains the right to assess OWNER interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date of the invoice. In the event undisputed portions of INTEGRATOR's invoices are not paid when due, INTEGRATOR also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

11. CHANGES

The parties agree that no change or modification to this Agreement, or any

attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by INTEGRATOR are estimates to perform the services required to complete the project as INTEGRATOR understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. INTEGRATOR will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

12. CONTROLLING AGREEMENT

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

13. EQUAL EMPLOYMENT AND NONDISCRIMINATION

In connection with the services under this Agreement, INTEGRATOR agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (ae).

14. HAZARDOUS MATERIALS

OWNER represents to INTEGRATOR that, to the best of its knowledge, no hazardous materials are present at the project site. However, in the event hazardous materials are known to be present, OWNER represents that to the best of its knowledge it has disclosed to INTEGRATOR the existence of all such hazardous materials, including but not limited to asbestos, PCB's, petroleum, hazardous waste, or radioactive material located at or near the project site, including type, quantity and location of such hazardous materials. It is acknowledged by both parties that INTEGRATOR's scope of services do not include services related in any way to hazardous materials. In the event INTEGRATOR or any other party encounters undisclosed hazardous materials, INTEGRATOR shall have the obligation to notify OWNER and, to the extent required by law or regulation, the appropriate governmental officials, and INTEGRATOR may, at its option and without liability for delay, consequential or any other damages to OWNER, suspend performance of services on that portion of the project affected by hazardous materials until OWNER: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the hazardous materials; and (ii) warrants that the project site is in full compliance with all applicable laws and regulations. OWNER acknowledges that INTEGRATOR is performing professional services for OWNER and that INTEGRATOR is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous materials, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the project site in connection with INTEGRATOR's services under this Agreement. If INTEGRATOR's services hereunder cannot be performed because of the existence of hazardous materials, INTEGRATOR shall be entitled to terminate this Agreement for cause on 30 days written notice. To the fullest extent permitted by law, OWNER shall indemnify and hold harmless INTEGRATOR, its officers, directors, partners, employees, and subconsultants from and against all costs, losses, and damages (including but not limited to all fees and charges of integrators, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from hazardous materials, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property (other than completed Work),

including the loss of use resulting therefrom, and (ii) nothing in this paragraph shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's sole negligence or willful misconduct.

15. EXECUTION

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between INTEGRATOR and OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

16. ALLOCATION OF RISK

OWNER AND INTEGRATOR HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING INTEGRATOR'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF INTEGRATOR (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF \$100,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF INTEGRATOR'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER INTEGRATOR'S COMMERCIAL GENERAL LIABILITY INSURANCE POLICY.

17. LITIGATION SUPPORT

In the event INTEGRATOR is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which INTEGRATOR is not a party, OWNER shall reimburse INTEGRATOR for reasonable costs in responding and compensate INTEGRATOR at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

18. UTILITY LOCATION

If underground sampling/testing is to be performed, a local utility locating service shall be contacted to make arrangements for all utilities to determine the location of underground utilities. In addition, OWNER shall notify INTEGRATOR of the presence and location of any underground utilities located on the OWNER's property which are not the responsibility of private/public utilities. INTEGRATOR shall take reasonable precautions to avoid damaging underground utilities that are properly marked. The OWNER agrees to waive any claim against INTEGRATOR and will indemnify and hold INTEGRATOR harmless from any claim of liability, injury or loss caused by or allegedly caused by INTEGRATOR's damaging of underground utilities that are not properly marked or are not called to INTEGRATOR's attention prior to beginning the underground sampling/testing.

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: March 29, 2016

City Manager:



PREPARED BY: Ana Gutierrez, Labor Compliance/Contracts Officer

PRESENTED BY: Yazmin Arellano, Public Works Director

SUBJECT: Project No. 2015-01 Alyce Gereaux Park Renovation

CITY MANAGER RECOMMENDATION: Award Contract to RAL Investment Corporation dba Silverstrand Construction, for Project No. 2015-01 in the amount of \$2,446,320.30, authorize a 10% contingency in the amount of \$244,632.03 and authorize the City Manager to execute all documentation in relation to this project.

DISCUSSION: On December 29, 2016, the City of Brawley advertised the Alyce Gereaux Park Renovation Project which consists of a pre-fabricated restroom building, splash pad, shade structures, public art features, benches, ADA playground equipment, bike racks, trash receptacles, the resurface of the existing basketball court, improvements to the existing irrigation system, lime stabilization of expansive soils, construction of concrete curbs, gutters, sidewalk, pedestrian walking paths, landscaping, domestic water and sewer services, lighting, and other miscellaneous site improvements.

On March 16, 2016 the City of Brawley received 4 bids:

RAL Investment dba Silverstrand Construction San Diego, CA	\$2,446,320.30
C.J. Legacy Construction, Inc. Pomona, CA	\$2,571,641.00
Erickson Hill Construction, Co. Escondido, CA	\$2,969,658.00
Granite Construction El Centro, CA	\$3,569,264.02

The City of Brawley is in receipt of two bid protests relative to contract award. The City Attorney has reviewed the technical and legal merits of the information submitted. It is with the concurrence of legal counsel that staff recommends to proceed with contract award.

FISCAL IMPACT: \$2,690,952.33, including 10% contingency of \$244,632.03

\$2,229,835 State Parks Grant

\$120,000	Estimated in Development Impact Fees
\$88,281	LTF TDA Article 3
\$20,000	State Asset Forfeiture
\$17,925	Public Works Water Enterprise
\$4,875	Public Works Sewer Enterprise
\$210,036	Potential General Fund Reserve Utilization for Contingencies

ATTACHMENTS: Bid Results

BID SUMMARY FOR SPECIFICATION NO. 2015-01 Alyce Gereaux Park Renovation

BID OPEN DATE: March 16, 2016 @ 2:00 PM

CONTRACTOR	BID SCHEDULE	
Erickson-Hall Construction 500 Corporate Drive Escondido, CA 92029 760-796-7700	A \$2,969,658.00 B \$ 1,411,969.00 Total \$4,381,627.00	<input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clauses <input checked="" type="checkbox"/> Equal Employment Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification
Granite Construction Co. 2095 Highway 111 El Centro, CA 92243 760-337-3030	A \$3,569,264.02 B \$ 1,285,054.25 Total \$4,854,318.27	<input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clauses <input checked="" type="checkbox"/> Equal Employment Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification

<p>C.S. Legacy Construction, Inc. 1461 S. East End Avenue Pomona, CA 91766 951-515-1322</p>	<p>A \$2,571,551.00 B \$ 1,298,731.00 Total \$3,870,282.00</p>	<input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clauses <input checked="" type="checkbox"/> Equal Employment Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification
<p>Silverstrand Construction 11696 Sorrento Valley Road, Suite 200 San Diego, CA 92121</p>	<p>A \$2,447,047.00 B \$1,340,133.00 Total \$3,787,180.00</p>	<input checked="" type="checkbox"/> Proposal <input checked="" type="checkbox"/> Proposal Signature Page <input checked="" type="checkbox"/> Bid Schedule <input checked="" type="checkbox"/> Acknowledgement of Addendums <input checked="" type="checkbox"/> Bid Bond <input checked="" type="checkbox"/> Non-Collusion Affidavit <input checked="" type="checkbox"/> Public Contract Code Section 10162 Questionnaire <input checked="" type="checkbox"/> List of Proposed Subcontractors <input checked="" type="checkbox"/> Major Material Suppliers Information <input checked="" type="checkbox"/> Declaration of Eligibility to Contract (SB 854) <input checked="" type="checkbox"/> Debarment and Suspension Certification <input checked="" type="checkbox"/> Nondiscrimination Clause <input checked="" type="checkbox"/> Equal Employment Opportunity Clauses <input checked="" type="checkbox"/> Equal Employment Certification <input checked="" type="checkbox"/> Drug Free Workplace Certification

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: 03/29/2016

City Manager: 

PREPARED BY: Ruby D. Walla, Finance Director

PRESENTED BY: Ruby D. Walla, Finance Director

SUBJECT: Fiscal Year (FY) 2014/2015 Audited Financial Statements

CITY MANAGER RECOMMENDATION: Review and accept the audited financial statements for the City of Brawley for the Fiscal Year ended June 30, 2015.

DISCUSSION: The City of Brawley has completed its various audits for the fiscal year ended June 30, 2015. The audits were conducted by the Certified Public Accounting Firm of Christy White Associates. The audit reports prepared consisted of the Annual Report, Single Audit Report, Transportation Development Act Report, and Management Report (attached). The City was audited on its governmental activities, business type activities, each major fund and the aggregate fund information for the City of Brawley. Audits were conducted in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The auditor's responsibility is to express an opinion on the presentation of the City of Brawley's financial statements. The opinion provided was unmodified, the highest opinion that auditors can give on the financial statements.

"In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2015"

Consistent with the FY 2013/14 audit, the auditor determined that there are no findings.

At the close of FY 2014/15, the General Fund reports to have used \$0.00 of its reserve fund balance, recognizing a gain of \$44,675 and increasing the fund balance to \$4,916,355 (see page 10 of the Annual Financial Report). This is due to conservative spending, in addition to increased revenue receipts for Utility User Tax from the Gas Co., Transient Lodging, Licenses and Permits. The City had projected to use \$0.00 of its reserve balance for the FY 2014/15 and actual budget performance documented in the audit is within the approved projections.

The General Fund reserve increased 2% compared to the prior fiscal year. The change is due to increased General Fund revenue, particularly related to the recognition of one-time monies. The General Fund reserve percentage is 34% in the current fiscal year, which is adequate when compared to similar governmental units. However, a reserve in excess of the City's minimum reserve set aside of 15% is not a signal to begin drawing on the General Fund reserve. Given the modest scale of the reserve balance, it can be rapidly depleted when utilized.

Per the adopted FY 2015/16 Budget, the City has projected to not use reserves for operational expenditures. The Regional Water Quality Control Board settlement payment and approved capital projects were the only items considered for use of General Fund reserve. Expenditures outside of the approved budget have come before City Council for approval which may result in the use of General Fund reserve. In considering the current General Fund Preservation Policy of expenditures, the City will maintain the 15% reserve balance of \$2,461,465 (based off current year projected expenditures of \$16,409,770).

It is important to note that with the close of June 30, 2015, GASB 68 and 71 were implemented. These pronouncements introduce pension liabilities for CalPERS to the financial statements. Prior to the implementation of these pronouncements, the City did not show any type of long term liability for pension benefits. The City only presented in the financials the current year contributions into CalPERS as expenditures.

FISCAL IMPACT: N/A

ATTACHMENTS: Annual Financial Report, Single Audit Report, Transportation Development Act Report

CITY OF BRAWLEY
Brawley, California

Annual Financial Report
For the Fiscal Year Ended June 30, 2015

San Diego

Los Angeles

San Francisco
Bay Area

christy  white
A PROFESSIONAL
72 COUNTANCY CORPORATION *associates*

CITY OF BRAWLEY
Brawley, California

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CITY OF BRAWLEY
Brawley, California

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INDEPENDENT AUDITORS' REPORT

Governing Board
City of Brawley
Brawley, California

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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State Board of Accountancy*

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as the budgetary comparison information on pages 46 through 47 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brawley's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City of Brawley's financial statements for the year ended June 30, 2013, from which such partial information was derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2016 on our consideration of the City of Brawley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Brawley's internal control over financial reporting and compliance.



San Diego, California
March 14, 2016

FINANCIAL SECTION

CITY OF BRAWLEY
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 25,079,902	\$ 15,842,695	\$ 40,922,597
Restricted cash and investments with fiscal agents	71,164	637,501	708,665
Accounts receivable	567,766	732,690	1,300,456
Interest receivable	501,898	18,884	520,782
Notes receivable	8,194,929		8,194,929
Internal balances			
Due from other governments	1,938,407	12,810	1,951,217
Deferred charges			
Prepaid expenses			
Capital assets not being depreciated	3,256,610	143,622	3,400,232
Capital assets, net of accumulated depreciation	27,523,893	67,937,039	95,460,932
Total assets	67,134,569	85,325,241	152,459,810
DEFERRED OUTFLOWS OF RESOURCES			
Differences due to changes in proportionate share of NPL	66,930	7,997	74,927
City's pension contributions subsequent to the measurement date	1,685,602	201,388	1,886,990
Total deferred outflows of resources	1,752,532	209,385	1,961,917
LIABILITIES			
Accounts payable	875,330	524,639	1,399,969
Accrued interest payable	1,210	59,522	60,732
Deposits payable	2,506,057	673,815	3,179,872
Unearned revenue			
Noncurrent liabilities:			
Due within one year	18,344	2,204,675	2,223,019
Due in more than one year	16,122,140	22,587,760	38,709,900
Total liabilities	19,523,081	26,050,411	45,573,492
DEFERRED INFLOWS OF RESOURCES			
Differences between projected and actual earnings on pension plan investments	3,531,514	421,929	3,953,443
Unearned revenue	9,272,727		9,272,727
Total deferred inflows of resources	12,804,241	421,929	13,226,170
NET POSITION			
Net investment in capital assets	30,742,723	44,147,547	74,890,270
Restricted for:			
Public safety	563,499		563,499
Community development	11,015,233		11,015,233
Culture and leisure	63,010		63,010
Debt service		618,780	618,780
Streets and roads	4,944,089		4,944,089
Unrestricted	(10,768,775)	14,295,959	3,527,184
Total net position	\$ 36,559,779	\$ 59,062,286	\$ 95,622,065

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental Activities:				
General government	\$ 6,457,778	\$ 948,652	\$ 99,658	\$ 1,548,322
Public safety	8,862,015	756,821	805,145	412,586
Culture and leisure	2,543,112	409,682	99,658	398,544
Community development	2,051,056	1,542,365	500,289	1,250,845
Streets and highways	3,221,537	1,159,847	895,622	1,527,405
Total governmental activities	23,135,498	4,817,367	2,400,372	5,137,702
Business-type Activities:				
Water	6,327,046	5,665,001		
Wastewater	4,624,377	4,592,026		387,887
Solid Waste	1,314,221	1,322,808		
Airport	606,608			844,764
Total business-type activities	12,872,252	11,579,835		1,232,651
Total primary government	\$ 36,007,750	\$ 16,397,202	\$ 2,400,372	\$ 6,370,353

General Revenues:

Taxes:

Utility users taxes

Transient lodging taxes

Franchise taxes

Business license taxes

Intergovernmental (unrestricted):

Shared property taxes

Shared sales and use taxes

Motor vehicle license fees

Other

Use of money and property

Total general revenues

Change in net position

Net position - beginning of fiscal year

Prior period adjustments

Net position - beginning of fiscal year, restated

Net position - end of fiscal year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,861,146)	\$ -	\$ (3,861,146)
(6,887,463)		(6,887,463)
(1,635,228)		(1,635,228)
1,242,443		1,242,443
361,337		361,337
<u>(10,780,057)</u>		<u>(10,780,057)</u>
	(662,045)	(662,045)
	355,536	355,536
	8,587	8,587
	238,156	238,156
	<u>(59,766)</u>	<u>(59,766)</u>
<u>(10,780,057)</u>	<u>(59,766)</u>	<u>(10,839,823)</u>
1,978,806		1,978,806
334,776		334,776
615,888		615,888
25,856		25,856
3,690,861		3,690,861
2,738,402		2,738,402
11,369		11,369
553,228		553,228
851,955	1,065,729	1,917,684
<u>10,801,141</u>	<u>1,065,729</u>	<u>11,866,870</u>
21,084	1,005,963	1,027,047
53,069,315	60,057,268	113,126,583
<u>(16,530,620)</u>	<u>(2,000,945)</u>	<u>(18,531,565)</u>
<u>36,538,695</u>	<u>58,056,323</u>	<u>94,595,018</u>
<u>\$ 36,559,779</u>	<u>\$ 59,062,286</u>	<u>\$ 95,622,065</u>

CITY OF BRAWLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Economic & Community Development	SB 325
ASSETS			
Cash and investments	\$ 6,511,798	\$ 620,340	\$ 9,452,898
Restricted cash and investments with fiscal agents		9,606	
Interest receivable	5,594	637	11,817
Accounts receivable	30,617		
Due from other governments	711,986	19,664	
Due from other funds	210,223		
Notes receivable		8,074,296	
Total assets	<u>\$ 7,470,218</u>	<u>\$ 8,724,543</u>	<u>\$ 9,464,715</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 361,609	\$ -	\$ 4,426
Deposits payable	2,179,715		326,342
Due to other funds			
Total liabilities	<u>2,541,324</u>		<u>330,768</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>12,539</u>		<u>9,000,000</u>
Total deferred inflows of resources	<u>12,539</u>		<u>9,000,000</u>
Total liabilities and deferred inflows of resources	<u>2,553,863</u>		<u>9,330,768</u>
Fund balances:			
Restricted for:			
Streets and roads			133,947
Public safety			
Community development		8,724,543	
Assessment districts			
Parks and recreation			
Library	63,010		
Unassigned	<u>4,853,345</u>		
Total fund balances	<u>4,916,355</u>	<u>8,724,543</u>	<u>133,947</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,470,218</u>	<u>\$ 8,724,543</u>	<u>\$ 9,464,715</u>

See Notes to Basic Financial Statements

Other Governmental Funds	Total Governmental Funds
\$ 7,662,705	\$ 24,247,741
61,558	71,164
8,032	26,080
850	31,467
469,899	1,201,549
	210,223
	8,074,296
<u>\$ 8,203,044</u>	<u>\$ 33,862,520</u>

\$ 199,489	\$ 565,524
	2,506,057
146,031	146,031
<u>345,520</u>	<u>3,217,612</u>

<u>260,188</u>	<u>9,272,727</u>
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<u>260,188</u>	<u>9,272,727</u>
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<u>605,708</u>	<u>12,490,339</u>
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4,810,142	4,944,089
563,499	563,499
1,865,102	10,589,645
425,588	425,588
	-
	63,010
(66,995)	4,786,350
<u>7,597,336</u>	<u>21,372,181</u>

<u>\$ 8,203,044</u>	<u>\$ 33,862,520</u>
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CITY OF BRAWLEY
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2015

Fund balances of governmental funds	\$ 21,372,181
Amounts reported for governmental activities in the statement of net position are different because:	
Certain receivables are not available to pay for current period expenditures and, therefore are not reported as governmental fund assets.	536,299
Capital assets net of accumulated depreciation have not been included as financial resources in the governmental funds.	29,161,393
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.	
City's pension contributions subsequent to the measurement date	1,685,602
Differences due to changes in proportionate share of NPL	66,930
Differences between projected and actual earnings on pension plan investments	(3,531,514)
Long-term debt and compensated absences have not been included in the governmental funds.	
Long-term debt	(37,780)
Net pension liability	(14,824,206)
Compensated absences	(1,257,407)
Interest on long-term debt is not recognized until the period in which it matures and is paid. In government-wide statement of net position, it is recognized in the period that it is incurred.	(1,210)
Internal service funds are used by management to charge the costs of certain activities, such as maintenance and risk management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	2,915,199
In governmental funds, certain accrued interest receivable on notes receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	<u>474,292</u>
Net position of governmental activities	<u>\$ 36,559,779</u>

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	<u>General</u>	<u>Economic & Community Development</u>	<u>SB 325</u>
REVENUES			
Taxes:			
Utility users	\$ 1,978,806	\$ -	\$ -
Transient lodging	334,776		
Franchise	615,888		
Business license	25,856		
Property			
Licenses and permits	23,010		
Fines and forfeitures	48,660		
Use of money and property	73,415	84,063	47,808
Intergovernmental	6,993,860	203,333	
Charges for services	3,684,635		
Miscellaneous	267,498		
Total revenues	<u>14,046,404</u>	<u>287,396</u>	<u>47,808</u>
EXPENDITURES			
Current:			
General government	2,337,336		
Public safety	8,132,772		
Culture and leisure	2,227,347		
Community development	1,479,657	123,889	
Transportation			
Capital outlay	25,036		
Total expenditures	<u>14,202,148</u>	<u>123,889</u>	
Excess of revenues over (under) expenditures	<u>(155,744)</u>	<u>163,507</u>	<u>47,808</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	200,419		
Transfers out			
Total other financing sources (uses)	<u>200,419</u>		
Net change in fund balances	<u>44,675</u>	<u>163,507</u>	<u>47,808</u>
Fund Balances - July 1, 2014	4,628,152	125,146	86,139
Prior Period Adjustments	<u>243,528</u>	<u>8,435,890</u>	
Fund Balances - July 1, 2014, Restated	<u>4,871,680</u>	<u>8,561,036</u>	<u>86,139</u>
Fund Balances - June 30, 2015	<u>\$ 4,916,355</u>	<u>\$ 8,724,543</u>	<u>\$ 133,947</u>

See Notes to Basic Financial Statements

Other Governmental Funds	Totals
\$ -	\$ 1,978,806
	334,776
	615,888
	25,856
108,977	108,977
	23,010
	48,660
33,384	238,670
3,740,816	10,938,009
563,844	4,248,479
35,262	302,760
<u>4,482,283</u>	<u>18,863,891</u>
	2,337,336
228,509	8,361,281
143,967	2,371,314
241,540	1,845,086
1,749,859	1,749,859
1,403,785	1,428,821
<u>3,767,660</u>	<u>18,093,697</u>
<u>714,623</u>	<u>770,194</u>
	200,419
<u>(200,419)</u>	<u>(200,419)</u>
<u>(200,419)</u>	
<u>514,204</u>	<u>770,194</u>
7,317,399	12,156,836
<u>(234,267)</u>	<u>8,445,151</u>
<u>7,083,132</u>	<u>20,601,987</u>
<u>\$ 7,597,336</u>	<u>\$ 21,372,181</u>

CITY OF BRAWLEY**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**For the Fiscal Year Ended June 30, 2015

Net change in fund balances - total governmental funds	\$ 770,194
Amounts reported for governmental activities in the statement of activities differ because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	(1,373,219)
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. When the note is collected it is reflected in revenue. This amount is the net change between notes receivable collected and issued.	(23,288)
Interest accrued on certain notes receivable are not reported as revenue on the governmental funds as they do not provide the City with current financial resources. When the interest is collected when the note becomes due, the amounts will be reflect in revenue. This is the amount of additional interest accrued in the current period.	4,968
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.	
Repayment of capital lease	17,324
The amounts below included in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These are the current year changes:	
Interest payable	551
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:	353,816
Internal service funds are used by management to charge the costs of certain activities, such as maintenance and risk management, to individual funds. The net revenues (expenses) of the internal service funds is reported under governmental activities.	270,738
Change in net position of governmental activities	<u>\$ 21,084</u>

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015
with Comparative Statement as of June 30, 2014

	Business-type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
ASSETS				
Current Assets:				
Cash and investments	\$ 5,240,714	\$ 5,218,186	\$ 10,372,664	\$ 10,130,262
Accounts receivable, net	699,979	808,644		
Interest receivable	6,141	2,525	12,571	4,801
Due from other governments			2,947	43,401
Deferred charges				
Notes receivable				
Total current assets	<u>5,946,834</u>	<u>6,029,355</u>	<u>10,388,182</u>	<u>10,178,464</u>
Noncurrent Assets:				
Restricted cash and investments with fiscal agents			637,501	637,501
Advances to other funds			1,401,223	1,503,531
Capital assets not being depreciated	115	115	141,557	35,011
Construction in progress				
Capital assets, net of accumulated depreciation	<u>27,013,004</u>	<u>28,097,488</u>	<u>34,374,553</u>	<u>34,865,550</u>
Total noncurrent assets	<u>27,013,119</u>	<u>28,097,603</u>	<u>36,554,834</u>	<u>37,041,593</u>
Deferred Outflows of Resources:				
Differences due to changes in proportionate share of NPL	4,866		3,131	
City's pension contributions subsequent to the measurement date	<u>122,547</u>		<u>78,841</u>	
Total Deferred Outflows of Resources	<u>127,413</u>		<u>81,972</u>	
Total assets and deferred outflows of resources	<u>33,087,366</u>	<u>34,126,958</u>	<u>47,024,988</u>	<u>47,220,057</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	275,628	159,763	205,189	49,052
Interest payable	40,801	88,898	18,721	25,647
Deposits payable	660,985	571,240	8,310	8,310
Deferred revenue		49,075		
Due to other funds				
Current portion of long term debt	<u>1,138,068</u>	<u>1,615,746</u>	<u>1,066,607</u>	<u>1,053,648</u>
Total current liabilities	<u>2,115,482</u>	<u>2,484,722</u>	<u>1,298,827</u>	<u>1,136,657</u>
Noncurrent liabilities:				
Compensated absences	109,252	152,349	112,568	110,015
Claims payable				
Contracts payable, net of deferred gain and unamortized discount	5,393,979	5,817,007	1,066,545	1,228,760
Certificates of participation, net of unamortized discount				208,892
Revenue bonds payable, net of unamortized premium	2,164,419	2,361,584		
Advances from other funds	1,401,223	1,503,531		
Net Pension Liability	1,077,753		693,376	
Bonds payable	20,200	39,300	<u>11,949,668</u>	<u>12,635,167</u>
Total noncurrent liabilities	<u>10,166,826</u>	<u>9,873,771</u>	<u>13,822,157</u>	<u>14,182,834</u>
Deferred Inflows of Resources:				
Differences between projected and actual earnings on pension plan investments	256,749		165,180	
Total Deferred Inflows of Resources	<u>256,749</u>		<u>165,180</u>	
Total liabilities and deferred inflows of resources	<u>12,539,057</u>	<u>12,358,493</u>	<u>15,286,164</u>	<u>15,319,491</u>
NET POSITION				
Net investment in capital assets	15,817,477	16,760,435	21,778,638	21,915,126
Restricted for debt service			618,780	611,854
Unrestricted	<u>4,730,832</u>	<u>5,008,030</u>	<u>9,341,406</u>	<u>9,373,586</u>
Total net position	<u>\$ 20,548,309</u>	<u>\$ 21,768,465</u>	<u>\$ 31,738,824</u>	<u>\$ 31,900,566</u>

See Notes to Basic Financial Statements

Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
Solid Waste		Airport		Current Year	
Current Year	Prior Year	Current Year	Prior Year	Totals	
\$ -	\$ 5,152	\$ 229,317	\$ -	\$ 15,842,695	\$ 832,161
32,711	11,864			732,690	
		172	43	18,884	1,526
	7,080	9,863	2,367,140	12,810	736,858
					120,633
32,711	24,096	239,352	2,367,183	16,607,079	1,691,178
				637,501	
				1,401,223	
		1,950	1,950	143,622	
		6,549,482	3,042,977	67,937,039	1,619,110
		6,551,432	6,260,225	70,119,385	1,619,110
				7,997	
				201,388	
				209,385	
32,711	24,096	6,790,784	8,627,408	86,935,849	3,310,288
28		43,794	1,764,342	524,639	303,124
		4,520	4,480	59,522	
			494,445	673,815	
				2,204,675	64,192
28		48,314	2,263,267	3,462,651	367,316
				221,820	21,091
					6,682
				6,460,524	
				2,164,419	
				1,401,223	
				1,771,129	
				11,969,868	
				23,988,983	27,773
				421,929	
				421,929	
28		48,314	2,263,267	27,873,563	395,089
		6,551,432	6,260,225	44,147,547	1,619,110
				618,780	
32,683	24,096	191,038	103,916	14,295,959	1,296,089
\$ 32,683	\$ 24,096	\$ 6,742,470	\$ 6,364,141	\$ 59,062,286	\$ 2,915,199

CITY OF BRAWLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2015
with Comparative Statements for the Fiscal Year Ended June 30, 2014

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
Operating Revenues:				
Charges for services (net of refunds)	\$ 5,255,438	\$ 6,865,506	\$ 4,592,026	\$ 5,714,761
Use of money and property				
Total operating revenues	<u>5,255,438</u>	<u>6,865,506</u>	<u>4,592,026</u>	<u>5,714,761</u>
Operating Expenses:				
Salary and benefits	1,303,009	1,433,116	752,085	721,341
Administration	362,700	387,500	273,500	282,500
Supplies and services	3,048,611	2,814,657	2,420,131	2,191,319
Depreciation	<u>1,312,418</u>	<u>1,308,758</u>	<u>986,620</u>	<u>940,022</u>
Total operating expenses	<u>6,026,738</u>	<u>5,944,031</u>	<u>4,432,336</u>	<u>4,135,182</u>
Operating income (loss)	<u>(771,300)</u>	<u>921,475</u>	<u>159,690</u>	<u>1,579,579</u>
Non-Operating Revenues (Expenses):				
Use of money and property	478,765	146,400	275,855	303,526
Amortization of gain (loss) on debt refunding	170,936	192,951		
Intergovernmental revenue (expense)	409,563		387,887	
Interest expense and fiscal charges	<u>(300,308)</u>	<u>(391,510)</u>	<u>(192,041)</u>	<u>(178,212)</u>
Total non-operating revenues (expenses)	<u>758,956</u>	<u>(52,159)</u>	<u>471,701</u>	<u>125,314</u>
Changes in net position	<u>(12,344)</u>	<u>869,316</u>	<u>631,391</u>	<u>1,704,893</u>
Total Net Position - beginning	21,768,465	20,952,390	31,900,566	31,803,153
Prior Period Adjustments	<u>(1,207,812)</u>	<u>(53,241)</u>	<u>(793,133)</u>	<u>(1,607,480)</u>
Total Net Position - beginning, restated	<u>20,560,653</u>	<u>20,899,149</u>	<u>31,107,433</u>	<u>30,195,673</u>
Total Net Position - ending	<u>\$20,548,309</u>	<u>\$21,768,465</u>	<u>\$31,738,824</u>	<u>\$31,900,566</u>

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Funds
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior Year		
\$ 1,322,808	\$ 1,277,412	\$ - 138,575	\$ - 116,731	\$ 11,170,272 138,575	\$ 3,131,088 246,591
1,322,808	1,277,412	138,575	116,731	11,308,847	3,377,679
		5,127 6,400	3,630 21,300	2,060,221 642,600	237,720
1,314,221	1,145,810	349,221 245,860	331,399 245,860	7,132,184 2,544,898	3,318,474 130,263
1,314,221	1,145,810	606,608	602,189	12,379,903	3,686,457
8,587	131,602	(468,033)	(485,458)	(1,071,056)	(308,778)
		1,598	510	756,218 170,936	7,910
	7,079	844,764	3,016,441	1,642,214 (492,349)	571,606
	7,079	846,362	3,016,951	2,077,019	579,516
8,587	138,681	378,329	2,531,493	1,005,963	270,738
24,096	(114,585)	6,364,141	3,832,648	60,057,268	2,644,461
				(2,000,945)	
24,096	(114,585)	6,364,141	3,832,648	58,056,323	2,644,461
\$ 32,683	\$ 24,096	\$ 6,742,470	\$ 6,364,141	\$ 59,062,286	\$ 2,915,199

CITY OF BRAWLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2015

with Comparative Statements for the Fiscal Year Ended June 30, 2014

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 5,453,848	\$ 7,304,238	\$ 4,592,026	\$ 5,714,761
Cash payments to suppliers for goods and services	(3,295,446)	(3,249,969)	(2,537,494)	(2,563,577)
Cash payments for employees and benefit programs	<u>(1,346,829)</u>	<u>(1,433,116)</u>	<u>(766,081)</u>	<u>(721,341)</u>
Net cash provided (used) by operating activities	<u>811,573</u>	<u>2,621,153</u>	<u>1,288,451</u>	<u>2,429,843</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Interfund borrowing (repayment)	<u>(102,308)</u>		<u>102,308</u>	
Net cash provided (used) by non-capital financing activities	<u>(102,308)</u>		<u>102,308</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental revenue (expense)	409,563		428,341	90,548
Purchase of capital assets	(227,934)		(602,169)	(234,300)
Loan repayent				
Principal paid on debt	(1,116,971)	(1,002,699)	(1,043,647)	(1,026,031)
Interest paid on debt and fiscal charges	<u>(226,544)</u>	<u>(378,576)</u>	<u>(198,967)</u>	<u>(400,423)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,161,886)</u>	<u>(1,381,275)</u>	<u>(1,416,442)</u>	<u>(1,570,206)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>475,149</u>	<u>146,129</u>	<u>268,085</u>	<u>303,910</u>
Net cash provided by investing activities	<u>475,149</u>	<u>146,129</u>	<u>268,085</u>	<u>303,910</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,528	1,386,007	242,402	1,163,547
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>5,218,186</u>	<u>3,832,179</u>	<u>10,130,262</u>	<u>8,966,715</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u><u>\$ 5,240,714</u></u>	<u><u>\$ 5,218,186</u></u>	<u><u>\$ 10,372,664</u></u>	<u><u>\$ 10,130,262</u></u>
Reconciliation to Statement of Net Position:				
Cash and investments	<u>\$ 5,240,714</u>	<u>\$ 5,218,186</u>	<u>\$ 10,372,664</u>	<u>\$ 10,130,262</u>
CASH AND CASH EQUIVALENTS	<u><u>\$ 5,240,714</u></u>	<u><u>\$ 5,218,186</u></u>	<u><u>\$ 10,372,664</u></u>	<u><u>\$ 10,130,262</u></u>

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Fund
Solid Waste		Airport		Current Year Totals	
Current Year	Prior Year	Current Year	Prior Year		
\$ 1,301,961	\$ 1,306,053	\$ 138,575	\$ 131,538	\$ 11,486,410	\$ 3,377,679
(1,314,193)	(1,300,901)	(2,076,129)	1,410,242	(9,223,262)	(3,066,847)
		(5,127)	(3,630)	(2,118,037)	(237,920)
(12,232)	5,152	(1,942,681)	1,538,150	145,111	72,912
		(494,445)	494,445	(494,445)	(14,276)
		(494,445)	494,445	(494,445)	(14,276)
7,080		3,202,041	649,301	4,047,025	886
		(537,066)	(3,215,298)	(1,367,169)	(1,286,884)
				(2,160,618)	60,211
				(425,511)	
7,080		2,664,975	(2,565,997)	93,727	(1,225,787)
		1,468	467	744,702	7,360
		1,468	467	744,702	7,360
(5,152)	5,152	229,317	(532,935)	489,095	(1,159,791)
5,152			532,935	15,353,600	1,991,952
\$ -	\$ 5,152	\$ 229,317	\$ -	\$ 15,842,695	\$ 832,161
\$ -	\$ 5,152	\$ 229,317	\$ -	\$ 15,842,695	\$ 832,161
\$ -	\$ 5,152	\$ 229,317	\$ -	\$ 15,842,695	\$ 832,161
(Continued)					

(Continued)

CITY OF BRAWLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2015

with Comparative Statements for the Fiscal Year Ended June 30, 2014

(Continued)

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (771,300)	\$ 921,475	\$ 159,690	\$ 1,579,579
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,312,418	1,308,758	986,620	940,022
(Increase) decrease in accounts receivable	108,665	420,816		
Increase (decrease) in accounts payable and accrued liabilities	115,865	(47,812)	156,137	(89,758)
Increase (decrease) in compensated absences	(43,097)		2,553	
Increase (decrease) net pension liability	(723)		(16,549)	
Increase (decrease) in deposits payable	89,745	17,916		
Total adjustments	1,582,873	1,699,678	1,128,761	850,264
Net cash provided by (used by) operating activities	\$ 811,573	\$ 2,621,153	\$ 1,288,451	\$ 2,429,843

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Fund
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior year		
\$ 8,587	\$ 131,602	\$ (468,033)	\$ (485,458)	\$(1,071,056)	\$ (308,778)
		245,860	245,860	2,544,898	130,263
(20,847)	28,641		14,807	87,818	
28	(155,091)	(1,720,548)	1,762,431	(1,448,518)	251,627
				(40,544)	(200)
				(17,272)	
		40	510	89,785	
(20,819)	(126,450)	(1,474,648)	2,023,608	1,216,167	381,690
\$ (12,232)	\$ 5,152	\$(1,942,681)	\$ 1,538,150	\$ 145,111	\$ 72,912

CITY OF BRAWLEY
STATEMENT OF NET POSITION
FIDUCIARY FUND
June 30, 2015

		Private Purpose Trust Fund RDA Successor Agency
ASSETS		
Cash and investments	\$	389,451
Cash and investments with fiscal agent		374,500
Interest receivable		82
Capital assets		1,081,003
Total Assets		1,845,036
LIABILITIES		
Interest payable		55,861
Deposits payable		359
Long-term debt, due in more than one year		5,025,000
Total Liabilities		5,081,220
NET POSITION		
Restricted for Debt Service		374,500
Unrestricted		(3,610,684)
Total Net Position	\$	(3,236,184)

The notes to the financial statements are an integral part of this statement.

CITY OF BRAWLEY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2015

	Private Purpose Trust Fund RDA Successor Agency
Additions:	
Tax increment	\$ 394,758
Other revenue	109
Total additions	394,867
Deductions:	
Community development	8,647
Interest	241,847
Total deductions	250,494
Change in net position	144,373
Net Position - July 1, 2014	(3,380,557)
Net Position - June 30, 2015	\$ (3,236,184)

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2015, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Long-Term Advances

Advances to/from other funds are non-current interfund loans and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriations and are not expendable available financial resources.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise Fund: Wastewater Fund	Enterprise Fund: Water Fund	\$ 1,401,223

B. Interfund Receivables and Payables

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". The following presents a summary of current interfund balances at June 30, 2015.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Governmental Fund:		Nonmajor Governmental Funds:	
General Fund	\$ 210,223	Downtown Parking	\$ 270
		Dial-a-Ride	62,998
Total	<u>\$ 210,223</u>	Park Projects	82,763
		Internal Service Fund:	
		Risk Management	64,192
		Total	<u>\$ 210,223</u>

C. Interfund Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. All inter-fund transfers between individual government funds have been eliminated on the government-wide statements. The City had the following transfers during fiscal year ended June 30, 2015.

<u>Fund</u>	<u>Transfers-in</u>	<u>Transfers-out</u>
Major Governmental Funds:		
General Fund	\$ 200,491	\$ -
Nonmajor Governmental Funds:		
Law Enforcement Special Revenue Fund		200,491
Totals	<u>\$ 200,491</u>	<u>\$ 200,491</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – LOANS RECEIVABLE

Loans receivable amounts primarily represent loans made for redevelopment, economic development, and property rehabilitation.

Economic & Community Development Special Revenue Fund

CDBG loan to Valley Lube & Wash, receivable in installments of \$1,109.53 per month including interest at 6%. Secured by deed of trust.	\$	97,972
Note to Brawley Beef, LLC receivable in the amount of \$120,000. First two payment on the note due 3/13/2009 and 3/13/2010 were forgiven due to fulfillment of certain employment covenants. Since that time, the covenants have not been fulfilled and the remainder of the loan is due.		120,000
Loan to Inferno 800. Secured by deed of trust.		55,710
HOME Investment Partnerships Program Loan to BESA, L.P., C/O Chelsea Investment Corporation. Annual payments are in the amount equal to 50% of the residual receipts from the apartment complex. Payments are due 90 days following the end of the calendar year with respect to the preceding year.		3,400,000
Loan to Edward and Martha Singh receivable in the installment of \$756.45 per month including interest at 6.5%. Secured by deed of trust.		42,409
Deferred notes receivable. No installment payments of principal or interest are required until the loans reach their maturity or underlying property is sold. Secured by deeds of trust.		4,238,205
	<u>\$</u>	<u>7,954,296</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance as of July 1, 2014	Additions	Deletions	Transfers	Prior Period Adjustments	Balance as of June 30, 2015
Governmental Activities						
Nondepreciable capital assets						
Land	\$ 966,706	\$ -	\$ -	\$ -	\$ -	\$ 966,706
Construction in progress	5,414,099	1,161,822		(4,286,017)		2,289,904
Total nondepreciable capital assets	<u>6,380,805</u>	<u>1,161,822</u>	<u>-</u>	<u>(4,286,017)</u>		<u>3,256,610</u>
Depreciable capital assets						
Equipment	7,438,614	1,186,650		103,211	417,123	9,145,598
Buildings	12,036,575					12,036,575
Improvements other than buildings	12,525,977					12,525,977
Infrastructure	15,859,854	271,927		4,182,806		20,314,587
Total depreciable capital assets	<u>47,861,020</u>	<u>1,458,577</u>	<u>-</u>	<u>4,286,017</u>	<u>417,123</u>	<u>54,022,737</u>
Less accumulated depreciation						
Equipment	(5,940,186)	(515,329)				(6,455,515)
Buildings	(3,073,680)	(396,676)				(3,470,356)
Improvements other than buildings	(4,245,241)	(715,392)				(4,960,633)
Infrastructure	(10,402,740)	(1,209,600)				(11,612,340)
Total accumulated depreciation	<u>(23,661,847)</u>	<u>(2,836,997)</u>	<u>-</u>			<u>(26,498,844)</u>
Net depreciable capital assets	<u>24,199,173</u>	<u>(1,378,420)</u>	<u>-</u>	<u>4,286,017</u>	<u>417,123</u>	<u>27,523,893</u>
Net capital assets	<u>\$ 30,579,978</u>	<u>\$ (216,598)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,123</u>	<u>\$ 30,780,503</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 469,493
Public safety	500,734
Streets and public works	1,471,678
Parks and recreation	189,122
Community development	205,970
Total	<u>\$ 2,836,997</u>

	Balance as of July 1, 2014	Additions	Deletions	Transfers	Balance as of June 30, 2015
Business-type Activities					
Nondepreciable capital assets					
Land	\$ 37,076	\$ -	\$ -	\$ -	\$ 37,076
Construction in progress	3,215,298	138,854		(3,247,608)	106,544
Total nondepreciable capital assets	<u>3,252,374</u>	<u>138,854</u>		<u>(3,247,608)</u>	<u>143,620</u>
Depreciable capital assets					
Equipment	2,842,545	161,116			3,003,661
Buildings	56,462,194				56,462,194
Improvements other than buildings	6,522,329	958,154		3,247,608	10,728,091
Conveyance systems	34,714,528	109,045			34,823,573
Total depreciable capital assets	<u>100,541,596</u>	<u>1,228,315</u>		<u>3,247,608</u>	<u>105,017,519</u>
Less accumulated depreciation					
Equipment	(1,885,162)	(122,235)			(2,007,397)
Buildings	(14,939,686)	(1,421,164)			(16,360,850)
Improvements other than buildings	(3,051,228)	(281,881)			(3,333,109)
Conveyance systems	(14,659,504)	(719,618)			(15,379,122)
Total accumulated depreciation	<u>(34,535,580)</u>	<u>(2,544,898)</u>			<u>(37,080,478)</u>
Net depreciable capital assets	<u>66,006,016</u>	<u>(1,316,583)</u>		<u>3,247,608</u>	<u>67,937,041</u>
Net capital assets	<u>\$ 69,258,390</u>	<u>\$ (1,177,729)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,080,661</u>

Depreciation expense was charged to functions/programs of the business-types activities as follows:

Water	\$ 1,312,418
Wastewater	986,620
Airport	245,860
Total Depreciation Expense - Business-type Activities	<u>\$ 2,544,898</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 –LONG-TERM DEBT

Governmental Activities

The following is a summary of long-term debt activity of the City's governmental activities for the fiscal year ended June 30, 2015:

	Balance as of July 1, 2014	Prior Period Adjustment	Additions	Reductions	Balance as of June 30, 2015	Due Within One Year
Governmental Activities:						
Capital lease	55,104			(17,234)	37,870	18,344
Net pension liability		18,339,229	6,055,017	(9,570,040)	14,824,206	
Compensated absences	1,278,698			(193,610)	1,085,088	
Total long-term liabilities	<u>\$ 1,333,802</u>	<u>\$ 18,339,229</u>	<u>\$ 6,055,017</u>	<u>\$ (9,780,884)</u>	<u>\$ 15,947,164</u>	<u>\$ 18,344</u>

Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of a park facility lighting system having a purchase price of \$149,731. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, including interest are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 18,344	\$ 2,441	\$ 20,785
2017	19,526	1,258	20,784
Total	<u>\$ 37,870</u>	<u>\$ 3,699</u>	<u>\$ 41,569</u>

Business-Type Activities

The following is a summary of long-term debt activity of the City's business-type activities for the fiscal year ended June 30, 2015:

	Balance as of July 1, 2014	Prior Period Adjustment	Additions	Reductions	Balance as of June 30, 2015	Due Within One Year
Business-type Activities:						
Contracts payable	\$ 8,971,640		\$ -	\$ (1,155,624)	\$ 7,816,016	\$ 1,159,765
Deferred gain	695,376			(170,936)	524,440	148,228
Unamortized discount	(1,052,838)			256,921	(795,917)	(223,975)
Certificates of participation	430,000			(210,000)	220,000	220,000
Unamortized discount	(4,246)			3,138	(1,108)	(1,108)
Revenue bonds payable	2,535,000			(185,000)	2,350,000	195,000
Unamortized premium	13,891			(2,307)	11,584	2,165
Bonds payable	57,400			(18,100)	39,300	19,100
CSWRCB Loan	13,313,879			(678,712)	12,635,167	685,500
Net pension liability		2,191,087	723,427	(1,143,385)	1,771,129	
Compensated absences	262,364			(40,544)	221,820	
Total long-term liabilities	<u>\$ 25,222,466</u>	<u>\$ 2,191,087</u>	<u>\$ 723,427</u>	<u>\$ (3,344,549)</u>	<u>\$ 24,792,431</u>	<u>\$ 2,204,675</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Water Enterprise Fund: Contracts Payable and Defeased Certificates of Participation

On May 5, 1998, the Brawley Public Improvement Corporation sold Certificates of Participation in the amount of \$17,755,000 with an average interest rate of 4.88% to advance refund \$17,755,000 of then outstanding 1996 Certificates of Participation with an average interest rate of 6.27%. As a result, the 1996 Certificates are considered to be defeased and the liability for those certificates has been removed from the Water Enterprise Fund. The balance of the 1996 refunded certificates outstanding as of June 30, 2015 is \$10,980,000.

On July 2, 2001, the City borrowed \$15,823,475 from the California Department of Water Resources (DOWR), at an interest rate of 0 %, to advance refund \$16,050,000 of outstanding 1998 Certificates of Participation with an average interest rate of 4.88 %. The proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 Certificates of Participation. As a result, the 1998 Certificates are considered to be defeased and the liability for those certificates has been removed from the Water Enterprise Fund. The balance of 1998 refunded certificates outstanding as of June 30, 2015 is \$8,890,000.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,119,886. This difference, to be reported in the financial statements as a deduction from contracts payable, is being charged to operations through the fiscal year ending June 30, 2021 using the effective interest method. The balance payable as of June 30, 2015, including deferred gain of \$392,275, and net of unamortized discount of \$663,752 is \$4,871,151. Debt service requirements to maturity on the contract, which includes imputed interest, are as follows:

Fiscal Year Ending June 30,	Principal	Imputed Interest	Total
2016	\$ 602,572	\$ 188,602	\$ 791,173
2017	631,804	159,370	791,174
2018	662,451	128,722	791,174
2019	694,587	96,586	791,173
2020	728,282	62,891	791,173
2021-2022	1,159,200	27,561	1,186,761
	<u>\$ 4,478,896</u>	<u>\$ 663,732</u>	<u>\$ 5,142,628</u>

On April 23, 2002, the City borrowed \$4,127,516 from the DOWR, at an interest rate of 0%, to refund a previous DOWR contract having a balance of \$4,852,058 with an interest rate of 3.0315 %. The City also paid \$724,542 towards the refunding. As result, the previous contract has been repaid and the liability has been removed from the Water Enterprise Fund.

There is no difference between the reacquisition price and the carrying amount of the old debt. The balance payable as June 30, 2015, including deferred gain of \$132,165, and net of unamortized discount of \$132,165 is \$1,444,628. Debt service requirements to maturity which includes imputed interest are as follows:

Fiscal Year Ending June 30,	Principal	Imputed Interest	Total
2016	\$ 171,003	\$ 35,373	\$ 206,376
2017	176,226	30,150	206,376
2018	181,609	24,767	206,376
2019	187,156	19,220	206,376
2020	192,873	13,503	206,376
2021-2022	403,596	9,152	412,748
	<u>\$ 1,312,463</u>	<u>\$ 132,165</u>	<u>\$ 1,444,628</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Water Enterprise Fund: Revenue Bonds Payable

On October 1, 2004, the City participated in a pooled revenue bond issue with the California Statewide Communities Development Authority (CSCDA). The CSCDA issued \$4,000,000 of revenue bonds on behalf of the City for its Water enterprise fund, at an average interest rate of 4.37% and a final maturity of October 1, 2024. The balance payable as of June 30, 2015, including unamortized premium of \$11,583 is \$2,361,583. Debt service requirements to maturity on the revenue bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 195,000	\$ 104,859	\$ 299,859
2017	200,000	97,352	297,352
2018	210,000	89,354	299,354
2019	215,000	80,853	295,853
2020	225,000	70,875	295,875
2021-2025	1,305,000	169,375	1,474,375
	<u>\$ 2,350,000</u>	<u>\$ 612,668</u>	<u>\$ 2,962,668</u>

Water Enterprise Fund: Water District Bonds Payable

On June 1, 1977, the Brawley County Water District issued Bonds totalling \$368,000. Subsequently, the Brawley County Water District was annexed by the City at which time these outstanding bonds became a reportable obligation of the City. All funds to pay the outstanding bonds continue to be collected and paid by the County of Imperial. The bonds bear interest at a rate of 5% with a final maturity date of June 1, 2017. The balance as of June 30, 2015 is \$39,300. Debt service requirements to maturity on the Water District Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 19,100	\$ 1,965	\$ 21,065
2017	20,200	1,010	21,210
	<u>\$ 39,300</u>	<u>\$ 2,975</u>	<u>\$ 42,275</u>

Wastewater Enterprise Fund: Contracts Payable

As of June 30, 2011, the City has received advances totalling \$2,759,775 from the California Infrastructure and Economic Development Bank (CIEDB). The purpose is to help finance improvements to the wastewater system. The balance payable as of June 30, 2015 is \$1,228,760. Debt service requirements to maturity on the contract are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 162,215	\$ 30,069	\$ 192,284
2017	166,465	25,763	192,228
2018	170,827	21,344	192,171
2019	175,302	16,809	192,111
2020	179,895	12,156	192,051
2021-2022	374,056	9,864	383,920
	<u>\$ 1,228,760</u>	<u>\$ 116,005</u>	<u>\$ 1,344,765</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BRAWLEY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Utility users	\$ 1,753,685	\$ 1,753,685	\$ 1,978,806	\$ 225,121
Transient lodging	270,746	270,746	334,776	64,030
Franchise	639,000	639,000	615,888	(23,112)
Business license	45,000	45,000	25,856	(19,144)
Licenses and permits	23,850	23,850	23,010	(840)
Fines and forfeitures	57,650	57,650	48,660	(8,990)
Use of money and property	36,000	36,000	73,415	37,415
Intergovernmental	7,587,179	7,587,179	6,993,860	(593,319)
Charges for services	3,519,564	3,519,564	3,684,635	165,071
Miscellaneous	2,380,002	2,380,002	267,498	(2,112,504)
Total revenues	16,312,676	16,312,676	14,046,404	(2,266,272)
EXPENDITURES				
Current:				
General government	2,062,782	2,062,782	2,337,336	(274,554)
Public safety	8,310,526	8,310,526	8,132,772	177,754
Culture and leisure	2,195,519	2,195,519	2,227,347	(31,828)
Community development	1,508,003	1,508,003	1,479,657	28,346
Capital outlay			25,036	(25,036)
Total expenditures	14,076,830	14,076,830	14,202,148	(125,318)
Excess of revenues over (under) expenditures	2,235,846	2,235,846	(155,744)	(2,391,590)
OTHER FINANCING SOURCES (USES)				
Transfers in			200,419	200,419
Transfers out	(2,280,002)	(2,280,002)		2,280,002
Total other financing sources (uses)	(2,280,002)	(2,280,002)	200,419	2,480,421
Net change in fund balance	(44,156)	(44,156)	44,675	88,831
Fund Balance - July 1, 2014	4,628,152	4,628,152	4,628,152	
Prior Period Adjustment			243,528	243,528
Fund Balance - July 1, 2014, Restated	4,628,152	4,628,152	4,871,680	243,528
Fund Balance - June 30, 2015	\$ 9,212,148	\$ 9,212,148	\$ 4,916,355	\$ 332,359

CITY OF BRAWLEY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC & COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2015

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Use of money and property	\$ 56,000	\$ 56,000	\$ 84,063	\$ 28,063
Intergovernmental	754,153	754,153	203,333	(550,820)
Total revenues	810,153	810,153	287,396	(522,757)
EXPENDITURES				
Current:				
Community development	754,153	754,153	123,889	630,264
Total expenditures	754,153	754,153	123,889	630,264
Net change in fund balance	56,000	56,000	163,507	107,507
Fund Balance - July 1, 2014	125,146	125,146	125,146	
Prior Period Adjustment			8,435,890	8,435,890
Fund Balance - July 1, 2014, Restated	125,146	125,146	8,561,036	8,435,890
Fund Balance (Deficit) - June 30, 2015	<u>\$ 306,292</u>	<u>\$ 306,292</u>	<u>\$ 8,724,543</u>	<u>\$ 8,543,397</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF BRAWLEY
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

Gas Tax Fund – To account for City's share of state gas tax revenue restricted for street improvements and maintenance.

Measure D Fund – To account for revenue received from the Local Transportation Authority for the City's portion of the ½% local sales tax revenue for a 20 year street rehabilitation program. Uses are restricted to those purposes necessary and convenient for the maintenance, operation, and construction of local streets and roads.

Pedestrian & Bicycle Facilities Fund – To account for revenue received from the State under Article 3 of the Transportation Development Act (Section 99234 of the Public Utilities Code). Uses are restricted to facilities for exclusive use by pedestrians and bicycles.

Downtown Parking Fund – To account for fees collected from merchants in the downtown business district to provide parking facilities in the downtown area.

Dial –a- Ride Fund – To account for revenues received from the State under Article 8(c) of the Transportation Development Act (Section 99400(c) of the Public Utilities Code), and for fares collected from users. Uses are to provide mass transit services to the general public.

Law Enforcement Fund – To account for revenues received by the City as a result of its participation in a task force with other law enforcement agencies in the area, and to account for revenues of various federal and state grants for law enforcement.

Successor Agency Housing Fund – Successor agency to the CRA Housing Fund.

Assessment Districts Fund – To account for the collection of assessments from property owners and the associated expenditures for the maintenance of landscaped areas within the district, and to account for revenues and expenditures of Community Facilities Districts (CFD).

CAPITAL PROJECTS FUNDS

Capital Projects funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Parks Projects Fund – To account for Parkland dedication fees prescribed by the Quimby Act and other revenues designated for improvements to public parks.

Streets Projects Fund – This fund accounts for resources set aside for major improvements to local streets and roads.

Development Impact Fund – To account for fees paid by developers to offset the cost of providing public facilities for police, fire, parks, recreation, library, and other public facilities and for street construction.

CITY OF BRAWLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue Funds				
	Gas Tax	Measure D	Pedestrian & Bicycle Facilities	Downtown Parking	Dial -a- Ride
ASSETS					
Cash and investments	\$ 1,199,961	\$ 2,493,283	\$ 192,919	\$ -	\$ -
Restricted cash and investments with fiscal agents					
Interest receivable	1,441	2,909	225	850	
Accounts receivable				28	
Due from other governments					
Total assets	<u>\$ 1,201,402</u>	<u>\$ 2,496,192</u>	<u>\$ 193,144</u>	<u>\$ 878</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 37,430	\$ 106,084	\$ 10,947	\$ -	\$ -
Due to other funds				270	62,998
Total liabilities	<u>37,430</u>	<u>106,084</u>	<u>10,947</u>	<u>270</u>	<u>62,998</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	<u>199,120</u>				
Total deferred inflows of resources	<u>199,120</u>				
Total liabilities and deferred inflows of resources	<u>236,550</u>	<u>106,084</u>	<u>10,947</u>	<u>270</u>	<u>62,998</u>
Fund balances:					
Restricted for:					
Streets and roads	964,852	2,390,108	182,197		
Public safety				608	
Community development					
Assessment districts					
Parks and recreation					
Unassigned					(62,998)
Total fund balances <deficits>	<u>964,852</u>	<u>2,390,108</u>	<u>182,197</u>	<u>608</u>	<u>(62,998)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,201,402</u>	<u>\$ 2,496,192</u>	<u>\$ 193,144</u>	<u>\$ 878</u>	<u>\$ -</u>

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Law Enforcement	Successor Agency Housing	Assessment Districts	Park Projects	Streets	Development Impact	
\$ 622,596	\$ -	\$ 310,920	\$ -	\$ 973,450	\$ 1,869,576	\$ 7,662,705
		61,558				61,558
734		1,114			1,609	8,032
						850
35,110		52,830	82,396	299,535		469,899
<u>\$ 658,440</u>	<u>\$ -</u>	<u>\$ 426,422</u>	<u>\$ 82,396</u>	<u>\$ 1,272,985</u>	<u>\$ 1,871,185</u>	<u>\$ 8,203,044</u>
\$ 34,481	\$ 3,255	\$ 834	\$ 375	\$ -	\$ 6,083	\$ 199,489
			82,763			146,031
34,481	3,255	834	83,138		6,083	345,520
61,068						260,188
61,068						260,188
95,549	3,255	834	83,138		6,083	605,708
562,891				1,272,985		4,810,142
						563,499
					1,865,102	1,865,102
		425,588				425,588
						-
	(3,255)		(742)			(66,995)
562,891	(3,255)	425,588	(742)	1,272,985	1,865,102	7,597,336
<u>\$ 658,440</u>	<u>\$ -</u>	<u>\$ 426,422</u>	<u>\$ 82,396</u>	<u>\$ 1,272,985</u>	<u>\$ 1,871,185</u>	<u>\$ 8,203,044</u>

CITY OF BRAWLEY**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds				
	Gas Tax	Measure D	Pedestrian & Bicycle Facilities	Downtown Parking	Dial -a-Ride
REVENUES					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services				806	12,801
Use of money and property	5,723	11,649	826		
Intergovernmental	788,041	953,672	23,163		
Miscellaneous	12,415				
Total revenues	806,179	965,321	23,989	806	12,801
EXPENDITURES					
Current:					
Public safety					
Community development					
Culture and leisure					
Transportation	716,073	880,094	26,754		126,938
Capital outlay					
Total expenditures	716,073	880,094	26,754		126,938
Excess of revenues over (under) expenditures	90,106	85,227	(2,765)	806	(114,137)
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out					
Total other financing sources (uses)					
Net change in fund balances	90,106	85,227	(2,765)	806	(114,137)
Fund Balances (Deficit) - beginning of fiscal year	931,054	2,304,881	184,962	(198)	51,139
Prior Period Adjustments	(56,308)				
Fund Balances (Deficit) - beginning of fiscal year, restated	874,746	2,304,881	184,962	(198)	51,139
Fund Balances (Deficit) - end of fiscal year	\$ 964,852	\$ 2,390,108	\$ 182,197	\$ 608	\$ (62,998)

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Law Enforcement	Successor Agency Housing	Assessment Districts	Park Projects	Streets	Development Impact	
\$ -	\$ -	\$ 108,977	\$ -	\$ -	\$ -	\$ 108,977
21,238					528,999	563,844
5,056		4,282		11	5,837	33,384
369,718		42,864	139,368	1,423,990		3,740,816
	847				22,000	35,262
396,012	847	156,123	139,368	1,424,001	556,836	4,482,283
228,509		96,816	143,967	97,131	47,593	228,509
						241,540
						143,967
						1,749,859
160,617				1,137,090	106,078	1,403,785
389,126		96,816	143,967	1,234,221	153,671	3,767,660
6,886	847	59,307	(4,599)	189,780	403,165	714,623
(200,419)						(200,419)
(200,419)						(200,419)
(193,533)	847	59,307	(4,599)	189,780	403,165	514,204
749,231	(4,102)	830,026	3,857	1,040,589	1,225,960	7,317,399
7,193		(463,745)		42,616	235,977	(234,267)
756,424	(4,102)	366,281	3,857	1,083,205	1,461,937	7,083,132
\$ 562,891	\$ (3,255)	\$ 425,588	\$ (742)	\$ 1,272,985	\$ 1,865,102	\$ 7,597,336

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
JUNE 30, 2015

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government unites, on a cost reimbursement basis.

Maintenance Fund – To account for the costs of maintenance of the City's fleet of vehicles and certain public facilities.

Risk Management Fund – To account for the costs of providing insurance, including risks retained by the City, for general liability, property damage, unemployment benefits, workers' compensation and employee health benefits. This fund also finances postemployment health care benefits provided to retirees and to former employees.

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2015

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 832,161	\$ -	\$ 832,161
Interest receivable	1,526		1,526
Due from other governments	736,858		736,858
Notes receivable	120,633		120,633
Total Current Assets	<u>1,691,178</u>		<u>1,691,178</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	3,145,919		3,145,919
Total Capital Assets	3,145,919		3,145,919
Less Accumulated Depreciation	(1,526,809)		(1,526,809)
Net Capital Assets	<u>1,619,110</u>		<u>1,619,110</u>
Total Noncurrent Assets	<u>1,619,110</u>		<u>1,619,110</u>
Total Assets	<u>3,310,288</u>		<u>3,310,288</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	244,788	58,336	303,124
Due to other funds		64,192	64,192
Total Current Liabilities	<u>244,788</u>	<u>122,528</u>	<u>367,316</u>
Noncurrent Liabilities:			
Compensated absences	21,091		21,091
Claims payable		6,682	6,682
Total Noncurrent Liabilities	<u>21,091</u>	<u>6,682</u>	<u>27,773</u>
Total Liabilities	<u>265,879</u>	<u>129,210</u>	<u>395,089</u>
NET POSITION			
Net investment in capital assets	1,619,110		1,619,110
Unrestricted	1,425,299	(129,210)	1,296,089
Total Net Position	<u>\$ 3,044,409</u>	<u>\$ (129,210)</u>	<u>\$ 2,915,199</u>

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
For the Fiscal Year Ended June 30, 2015

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
Revenues:			
Charges for services	\$ 209,473	\$ 2,921,615	\$ 3,131,088
Use of money and property	246,591		246,591
Total Revenues	<u>456,064</u>	<u>2,921,615</u>	<u>3,377,679</u>
Expenses:			
Salary and benefits	237,720		237,720
Supplies and services	387,956	2,930,518	3,318,474
Depreciation	130,263		130,263
Total Expenses	<u>755,939</u>	<u>2,930,518</u>	<u>3,686,457</u>
Operating Income (Loss)	<u>(299,875)</u>	<u>(8,903)</u>	<u>(308,778)</u>
Non-Operating Revenue (Expenses)			
Intergovernmental revenue	571,606		571,606
Interest income	7,910		7,910
Total Non-Operating Revenue	<u>579,516</u>		<u>579,516</u>
Change in Net Assets	279,641	(8,903)	270,738
Net Position - Beginning of Fiscal Year	<u>2,764,768</u>	<u>(120,307)</u>	<u>2,644,461</u>
Net Position - End of Fiscal Year	<u>\$ 3,044,409</u>	<u>\$ (129,210)</u>	<u>\$ 2,915,199</u>

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 456,064	\$ 2,921,615	\$ 3,377,679
Cash payments to suppliers and contractors	(159,508)	(2,907,339)	(3,066,847)
Cash payments for employees and benefit programs	(237,920)		(237,920)
Net Cash Provided (Used) By Operating Activities	<u>58,636</u>	<u>14,276</u>	<u>72,912</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Interfund borrowing (repayment)		(14,276)	(14,276)
Intergovernmental revenue (expense)	<u>886</u>		<u>886</u>
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>886</u>	<u>(14,276)</u>	<u>(13,390)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(1,286,884)		(1,286,884)
Loan repayment	<u>60,211</u>		<u>60,211</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(1,226,673)</u>		<u>(1,226,673)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>7,360</u>		<u>7,360</u>
Net Cash Provided In Investing Activities	<u>7,360</u>		<u>7,360</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,159,791)		(1,159,791)
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>1,991,952</u>		<u>1,991,952</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 832,161</u>	<u>\$ -</u>	<u>\$ 832,161</u>
Reconciliation with Statement of Net Position			
Cash and investments	<u>\$ 832,161</u>	<u>\$ -</u>	<u>\$ 832,161</u>
CASH AND CASH EQUIVALENTS	<u>\$ 832,161</u>	<u>\$ -</u>	<u>\$ 832,161</u>

(Continued)

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015 (Continued)

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	<u>\$ (299,875)</u>	<u>\$ (8,903)</u>	<u>\$ (308,778)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Depreciation	130,263		130,263
Increase (Decrease) compensated absences	(200)		(200)
(Increase) Decrease prepaid expenditures			
Increase (Decrease) accounts payable and accrued liabilities	<u>228,448</u>	<u>23,179</u>	<u>251,627</u>
Total Adjustments	<u>358,511</u>	<u>23,179</u>	<u>381,690</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 58,636</u>	<u>\$ 14,276</u>	<u>\$ 72,912</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board
City of Brawley
Brawley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements, and have issued our report thereon dated March 14, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Brawley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Brawley's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Brawley's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We noted certain matters that we reported to management of the City in a separate letter dated March 14, 2016.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Brawley's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White Associates

San Diego, California
March 14, 2016

CITY OF BRAWLEY

BRAWLEY, CALIFORNIA

SINGLE AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2015

San Diego

Los Angeles

San Francisco
Bay Area

christy  white
A PROFESSIONAL
140 COUNTANCY CORPORATION *associates*

CITY OF BRAWLEY
Brawley, California

SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2015

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board
City of Brawley
Brawley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Brawley, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements, and have issued our report thereon dated March 14, 2016.

Internal Control over Financial Reporting

Management of the City of Brawley is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion on it. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Diego, California
March 14, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board
City of Brawley
Brawley, California

Report on Compliance for Each Major Federal Program

We have audited the City of Brawley's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Brawley's major federal programs for the year ended June 30, 2015. The City of Brawley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Brawley's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Brawley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Brawley's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the City of Brawley is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Brawley's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Brawley's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements. We issued our report thereon dated March 14, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 (continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Christy White Associates

San Diego, California
March 14, 2016

CITY OF BRAWLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Name of Agency / Grant / Program	Federal Catalog Number	Identifying Number	Total Program Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
<i>Passed through California Department of Housing and Community Development:</i>			
Community Development Block Grant - Program Income	14.228	*	\$ 5,183
HOME Investment Partnerships Program	14.239	11-HOME-7664	253,688
U.S. DEPARTMENT OF TRANSPORTATION:			
<i>Passed through the State of California Department of Transportation:</i>			
Highway Planning and Construction Cluster			271,336
Highway Planning and Construction	20.205	CML5167-033	62,850
Highway Planning and Construction - CMAQ	20.205	STPL5167-034	334,186
Subtotal Highway Planning and Construction Cluster			
Federal Aviation Administration			826,570
Airport Improvement Program	20.106	649835-A-1	
			1,160,756
Total U.S. Department of Transportation			
U.S. DEPARTMENT OF JUSTICE:			
ARRA - Public Safety Partnership and Community Policing Grants	16.710	2013UMWX0016	100,550
Asset Forfeiture Grant	16.000	*	145,709
Drug Enforcement Administration	16.004	*	27,998
			274,257
Total U.S. Department of Justice			
EXECUTIVE OFFICE OF THE PRESIDENT:			
High Intensity Drug Trafficking Areas Program	95.001	*	3,585
U.S. DEPARTMENT OF HOMELAND SECURITY:			
<i>Passed through the State of California Emergency Management Agency (CalEMA):</i>			
Operation Stonegarden Grant Program	97.067	OPSG	229,713
Total U.S. Department of Homeland Security			229,713
			\$ 1,927,182
Total Expenditures of Federal Awards			

* Identifying number not available or not applicable

CITY OF BRAWLEY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within the general, special revenue, capital projects, and enterprise funds of the City. The City utilizes the modified accrual basis of accounting for the general, special revenue, and capital project funds. The accrual basis of accounting is used for the enterprise fund. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all Federal financial assistance programs of the City. Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through the State of California and other agencies are included in the Schedule. The Schedule of Expenditures of Federal Awards was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

2. MAJOR PROGRAM DESCRIPTIONS

U. S. Department of Transportation – Federal Aviation Administration – Airport Improvement Program

The objective of the Airport Improvement Program is to assist sponsors, owners, or operators of public-use airports in the development of a nationwide system of airports adequate to meet the needs of civil aeronautics. The purpose of the law includes the investment in transportation, environmental protection, and airport infrastructure that will provide long-term economic benefits.

U.S. Department of Transportation - Highway Planning and Construction

The objective of the Highway Planning and Construction cluster is to: (1) assist states in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the national highway system, including interstate highways and most other public roads; (2) provide aid for the repair of roads following disasters; (3) foster safe highway design and replace or rehabilitate structurally deficient or functionally obsolete bridges; and (4) provide for other special purposes.

CITY OF BRAWLEY
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2015

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>No</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>No</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	<u>No</u>
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
<u>20.205</u>	<u>Highway Planning and Construction Cluster</u>
<u>20.106</u>	<u>Airport Improvement Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**CITY OF BRAWLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2015.

CITY OF BRAWLEY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

There were no financial statement findings for the year ended June 30, 2014.

CITY OF BRAWLEY

TRANSPORTATION DEVELOPMENT ACT FUNDS FINANCIAL STATEMENTS

JUNE 30, 2015

San Diego

Los Angeles

San Francisco
Bay Area

**CITY OF BRAWLEY
TRANSPORTATION DEVELOPMENT ACT FUNDS
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FOR THE YEAR ENDED JUNE 30, 2015**

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LOCAL TRANSPORTATION FUND

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SUPPLEMENTARY INFORMATION

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**LOCAL TRANSPORTATION FUNDS NON-TRANSIT
FINANCIAL STATEMENTS**

JUNE 30, 2015

INDEPENDENT AUDITORS' REPORT

Governing Board
City of Brawley
Brawley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Local Transportation Funds Non-Transit of the City of Brawley, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Christy White, CPA

Michael Ash, CPA

Heather Rubio

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Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

In connection with our examination we also performed, to the extent applicable, the seventeen tasks contained in "Guidelines on Auditing for Conformance" published by the Imperial County Transportation Commission (ICTC).

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Local Transportation Funds Non-Transit of City of Brawley as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the funds allocated to the City of Brawley, California, were expended in conformance with the applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of ICTC.

Emphasis of Matter

As discussed in Note No. 1, the financial statements present only the Local Transportation Funds Non-Transit and do not purport to, and do not present fairly the financial position of the City of Brawley, California, as of June 30, 2015 and the changes in its financial position, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Local Transportation Funds Non-Transit. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Christy White Associates

San Diego, California
March 14, 2016

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
BALANCE SHEET
JUNE 30, 2015

	Article 3	Article 8(e)	Totals
ASSETS			
Cash and investments	\$ 55,057	\$ 137,862	\$ 192,919
Other current assets	68	157	225
Total Assets	\$ 55,125	\$ 138,019	\$ 193,144
LIABILITIES			
Accrued liabilities	10,947	-	10,947
Total Liabilities	10,947	-	10,947
FUND BALANCES			
Restricted	\$ 44,178	\$ 138,019	\$ 182,197
Total Fund Balances	44,178	138,019	182,197
Total Liabilities and Fund Balances	\$ 55,125	\$ 138,019	\$ 193,144

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Article 3	Article 8(e)	Totals
REVENUES			
Intergovernmental - TDA/LTF	\$ 23,163	\$ -	\$ 23,163
Interest earnings	248	578	826
Total Revenues	23,411	578	23,989
EXPENDITURES			
Current			
Supplies and materials	3,260	-	3,260
Services	12,729	-	12,729
Improvements	-	-	-
Equipment	10,765	-	10,765
Total Expenditures	26,754	-	26,754
Excess (Deficiency) of Revenues	(3,343)	578	(2,765)
Over Expenditures	(3,343)	578	(2,765)
NET CHANGE IN FUND BALANCE	47,521	137,441	184,962
Fund Balance - Beginning	\$ 44,178	\$ 138,019	\$ 182,197
Fund Balance - Ending			

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The financial statements are intended to reflect the financial position, respective changes in financial position, and compliance with the Transportation Development Act of the City of Brawley, California.

The Local Transportation Fund Non-Transit is a special revenue fund of the City of Brawley and included in the basic financial statements of the City.

The financial statements of the City of Brawley's Transportation Development Act Funds have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City of Brawley's Local Transportation Fund Non-Transit accounting policies are described below.

B. Basis of Presentation

The accounts of the City's Local Transportation Fund Non-Transit are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects

C. Measurement Focus and Basis of Accounting

All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included in the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related fund liabilities are incurred.

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City adopts budgets for the Local Transportation Fund Non-Transit and all budget appropriations lapse at year end.

E. Fund Balance

The City adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the year ended June 30, 2015. Accordingly, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

Restricted Fund Balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 2 – INTERGOVERNMENTAL ALLOCATIONS

The City was allocated the following shared property taxes during the year ended June 30, 2015:

Section	Amount
99234	\$ 23,163
99400(e)	-
Total	<u>\$ 23,163</u>

SUPPLEMENTARY INFORMATION

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
ARTICLE 3 BUS BENCHES AND SHELTERS FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variances -	
	Original	Final		Final to Actual	
REVENUES					
Intergovernmental - TDA/LTF	\$ 19,211	\$ 19,211	\$ 23,163	\$	(3,952)
Interest	90	90	248		(158)
Total Revenues	<u>19,301</u>	<u>19,301</u>	<u>23,411</u>		<u>(4,110)</u>
EXPENDITURES					
Current					
Salries and wages	-	-	-		-
Benefits	-	-	-		-
Professional and technical	30,000	30,000	12,729		17,271
Maintenance supplies	10,000	10,000	3,260		6,740
Improvements	10,000	10,000	10,765		(765)
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>26,754</u>		<u>23,246</u>
Excess (Deficiency) of Revenues					
Over Expenditures	(30,699)	(30,699)	(3,343)		(27,356)
NET CHANGE IN FUND BALANCE	(30,699)	(30,699)	(3,343)		(27,356)
Fund Balance - Beginning	47,521	47,521	47,521		-
Prior Period Adjustment	-	-	-		-
Fund Balance - Ending	<u>\$ 16,822</u>	<u>\$ 16,822</u>	<u>\$ 44,178</u>	<u>\$</u>	<u>(27,356)</u>

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
ARTICLE 8(e) PEDESTRIANS AND BICYCLES FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variances -	
	Original	Final		Final to Actual	
REVENUES					
Intergovernmental - TDA/LTF	\$ 57,500	\$ 57,500	\$ -	\$	57,500
Interest	210	210	578		(368)
Total Revenues	57,710	57,710	578		57,132
NET CHANGE IN FUND BALANCE	57,710	57,710	578		57,132
Fund Balance - Beginning	137,441	137,441	137,441		-
Fund Balance - Ending	\$ 195,151	\$ 195,151	\$ 138,019	\$	57,132

**LOCAL TRANSPORTATION FUND
FINANCIAL STATEMENTS**

JUNE 30, 2015

INDEPENDENT AUDITORS' REPORT

Governing Board
City of Brawley
Brawley, California

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Report on the Financial Statements

We have audited the accompanying financial statements of the Local Transportation Fund of the City of Brawley, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SAN DIEGO
LOS ANGELES
SAN FRANCISCO/BAY AREA

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*Licensed by the California
State Board of Accountancy*

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

In connection with our examination we also performed, to the extent applicable, the seventeen tasks contained in "Guidelines on Auditing for Conformance" published by the Imperial County Transportation Commission (ICTC).

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Local Transportation Fund of City of Brawley as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the funds allocated to the City of Brawley, California, were expended in conformance with the applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of ICTC.

Emphasis of Matter

As discussed in Note No. 1, the financial statements present only the Local Transportation Fund and do not purport to, and do not present fairly the financial position of the City of Brawley, California, as of June 30, 2015 and the changes in its financial position, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Local Transportation Fund. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Christy White Associates

San Diego, California
March 14, 2016

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
BALANCE SHEET
JUNE 30, 2015

	<u>Dial-A-Ride</u> <u>Article 8(c)</u>
ASSETS	
Cash and investments	\$ (62,998)
Total Assets	<u>\$ (62,998)</u>
FUND BALANCES	
Restricted	\$ (62,998)
Total Fund Balances	<u>\$ (62,998)</u>

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Dial-A-Ride</u> <u>Article 8(c)</u>
REVENUES	
Intergovernmental - TDA/LTF	\$ -
Charges for services	12,801
Total Revenues	<u>12,801</u>
EXPENDITURES	
Current	
Transportation	126,938
Other	-
Total Expenditures	<u>126,938</u>
Excess (Deficiency) of Revenues	(114,137)
Over Expenditures	<u>(114,137)</u>
NET CHANGE IN FUND BALANCE	51,139
Fund Balance - Beginning	<u>51,139</u>
Fund Balance - Ending	<u>\$ (62,998)</u>

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The financial statements are intended to reflect the financial position, respective changes in financial position, and compliance with the Transportation Development Act of the City of Brawley, California.

The Local Transportation Fund is a special revenue fund of the City of Brawley and included in the basic financial statements of the City.

The financial statements of the City of Brawley's Transportation Development Act Funds have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City of Brawley's Local Transportation Fund accounting policies are described below.

B. Basis of Presentation

The accounts of the City's Local Transportation Fund are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects

C. Measurement Focus and Basis of Accounting

All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included in the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related fund liabilities are incurred.

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City adopts budgets for the Local Transportation Fund and all budget appropriations lapse at year end.

E. Fund Balance

The City adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the year ended June 30, 2015. Accordingly, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

Restricted Fund Balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 2 – FARE REVENUE RATIO

	Amount
Fare Revenues	\$ 12,801
Operating Costs	126,938
Ratio	10.08%
Required Ratio	10.00%
In Compliance?	Yes

SUPPLEMENTARY INFORMATION

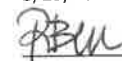
CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
ARTICLE 8(c) Dial-A-Ride – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental - TDA/LTF	\$ 64,418	\$ 64,418	\$ -	\$ 64,418
Charges for services	8,000	8,000	12,801	(4,801)
Total Revenues	72,418	72,418	12,801	59,617
EXPENDITURES				
Current				
Transportation	60,204	60,204	126,938	(66,734)
Other	1,200	1,200	-	1,200
Total Expenditures	61,404	61,404	126,938	(65,534)
NET CHANGE IN FUND BALANCE	11,014	11,014	(114,137)	125,151
Fund Balance - Beginning	51,139	51,139	51,139	-
Fund Balance - Ending	\$ 62,153	\$ 62,153	\$ (62,998)	\$ 125,151

CITY COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: 3/29/2016

City Manager:



PREPARED BY: Ruby D. Walla, Finance Director/City Treasurer

PRESENTED BY: Ruby D. Walla, Finance Director/City Treasurer

SUBJECT: Proposed Refunding of the City of Brawley's portion of the California Statewide Communities Development Authority Water and Wastewater Revenue Bonds (Pooled Financing Program) Series 2004B (the "Prior Bonds") and Approval of Financing Team Members

CITY MANAGER RECOMMENDATION: Adopt Resolution No. 2016-__: Resolution of the City Council of the City of Brawley Authorizing the Borrowing of Funds from Municipal Finance Corporation to Refinance Outstanding 2004 Installment Payments and Approving Related Documents. Consider application of savings to accelerate repayment of loan to the Wastewater Enterprise Fund.

DISCUSSION: On September 28, 2004, the City of Brawley participated in a pooled financing with the City of Barstow through the California Statewide Communities Development Authority to finance improvements to the water system of the City. Beginning early this fiscal year, staff began researching and evaluating various refunding options for these Water Bonds. Due to the amount of savings, staff is recommending a private placement as opposed to a public offering. Private placements allows the City to realize more savings from debt service payments, cost of issuance and staff time.

City staff recommends that the City's share of the Prior Bonds be refunded at this time to achieve an estimated \$197,000 in debt service savings. City staff requests approval of the aforementioned Resolution to allow completion of the transaction. The anticipated closing date is May 18, 2016, once the appropriate noticing period is met.

On January 19, 2010, the Wastewater Enterprise Fund advanced \$1,605,839 to the Water Enterprise Fund. At the time of City Council approval, future receipts were anticipated to allow for repayment of the loan over a term of 3 years. Between 2010 and 2013, the Water Enterprise Fund was unable to fulfill its obligations due to the limited availability of surplus revenue. In FY 2013/2014, the Brawley City Council approved a 15 year repayment arrangement of \$102,308 per year with the final payment scheduled for July 2029. Payment 3 of 15 is assumed for Fiscal Year 2015/2016. It is requested that the City Council consider application of the savings achieved in the subject transaction to accelerate repayment of the loan to the Wastewater Enterprise Fund.

FISCAL IMPACT: Water Enterprise Fund Savings of \$197,000 over the remaining term of 8.5 years

ATTACHMENTS: City Council Resolution
Loan Agreement

Savings Analysis
PowerPoint Presentation

RESOLUTION NO. 2016-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRAWLEY, CALIFORNIA
AUTHORIZING THE BORROWING OF FUNDS FROM MUNICIPAL FINANCE
CORPORATION TO REFINANCING OUTSTANDING 2004 INSTALLMENT PAYMENTS,
AND APPROVING RELATED DOCUMENTS

WHEREAS, the City of Brawley (the "City") is a municipal corporation duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, the City owns and operates certain facilities and property for the supply, treatment and distribution of water (the "Water System"), and in order to finance improvements to the Water System, the City has previously entered into an Installment Purchase Agreement dated as of September 1, 2004 between the City and the California Statewide Communities Development Authority (the "Authority"), under which the City is obligated to make semiannual installment payments (the "2004 Installment Payments") in the aggregate original principal amount of \$4,000,000 of which \$2,155,000 principal amount remains outstanding; and

WHEREAS, the City has determined that it is in the best interests at this time to refinance the 2004 Installment Payments and thereby realize debt service savings, and in order to provide funds for that purpose, the City has determined to borrow an amount from Municipal Finance Corporation (the "Corporation"), pursuant to a Loan Agreement by and between the City and the Corporation (the "Loan Agreement"); and

WHEREAS, the District is authorized to borrow amounts for the purpose of refinancing the 2004 Installment Payments pursuant to the laws of the State of California, particularly Section 53570 et seq. of the California Government Code; and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective Loan refinancing arrangement at a 2.75% interest rate for a principal amount not to exceed \$2,180,000 over a term not to exceed 9 years;

NOW, THEREFORE, it is resolved by the City Council of the City of Brawley as follows:

- SECTION 1.** Loan Agreement. The Mayor, the City Manager or a designee in writing is hereby authorized to execute the Loan Agreement with the Corporation to refinance and prepay the 2004 Installment Payments, subject to approval as to form by the City Attorney.
- SECTION 2.** Attestations. The City Clerk or other City officer is hereby authorized and directed to attest the signature of the Mayor, the City Manager or of such other person or persons as may have been designated by the Mayor or City Manager, and to affix and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of the Loan Agreement.
- SECTION 3.** Other Actions. The Mayor, the City Manager and other officers of the District are each hereby authorized

and directed, jointly and severally, to take any and all actions and to execute and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution, the Loan Agreement. Such officer is authorized to provide notice to the trustee of the 2004 Installment Payments of the City's intent to prepay the 2003 Bonds. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Loan is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District, together with all subordinate entities of the District, do not reasonably expect to issue during the calendar year in which the Loan is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 5. Effect. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED at a special meeting of the Brawley City Council held on March 29, 2016.

CITY OF BRAWLEY, CALIFORNIA

Donald L. Wharton, Mayor

ATTEST:

Alma Benavides, City Clerk

**STATE OF CALIFORNIA
COUNTY OF IMPERIAL
CITY OF BRAWLEY**

I, **ALMA BENAVIDES**, City Clerk of the City of Brawley, California, **DO HEREBY CERTIFY** that the foregoing Resolution No. 2016- was passed and adopted by the City Council of the **City** of Brawley, California, at a special meeting held on the 29th day of **March** 2016, and that it was so adopted by the following roll call vote:

**AYES:
NAYES:
ABSTAIN:
ABSENT:**

DATED: March 29, 2016

Alma Benavides, City Clerk

LOAN AGREEMENT #16-007

This **LOAN AGREEMENT**, (this "Loan Agreement"), dated for convenience as of April 1, 2016, is by and between Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the City of Brawley, a municipal corporation duly organized and existing under the Constitution and laws of the State of California (the "City");

WITNESSETH:

WHEREAS, the City presently owns and operates certain facilities and property for the supply of water to residents within the service area of the City (the "Enterprise"), and the City wishes at this time to prepay the installment payments (the "2004 Installment Payments") due under that certain Installment Purchase Agreement dated as of September 1, 2004 between the City and the California Statewide Communities Development Authority (the "2004 Installment Purchase Agreement"); and

WHEREAS, the Corporation has agreed to lend the City an amount which the City has determined will be sufficient to prepay the 2004 Installment Purchase Agreement, pursuant hereto; and

WHEREAS, the City is authorized to enter into this Loan Agreement and to borrow amounts hereunder for the purpose of prepaying the Prior Agreement under Sections 53570, et seq. of the Government Code of the State of California;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Loan Agreement have the meanings herein specified or as hereinafter defined.

"Additional Revenues" means, with respect to the issuance of any Parity Obligations, any or all of the following amounts:

(i) An allowance for Net Revenues from any additions or improvements to or extensions of the Enterprise to be made with the proceeds of such Parity Obligations and also for Net Revenues from any such additions, improvements or extensions which have

been made from moneys from any source but in any case which, during all or any part of the latest Fiscal Year or such twelve (12) month period, were not in service, all in an amount equal to ninety percent (90%) of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first thirty-six (36) month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer (which may but need not be the outside firm providing engineering services) retained by the City.

(ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such Parity Obligations but which, during all or any part of the latest Fiscal Year or such twelve (12) month period, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or twelve (12) month period, all as shown by the certificate or opinion of an independent certified public accountant (which may but need not be the outside firm providing auditing services) retained by the City.

"Assignee" means (a) initially, City National Bank, as assignee of certain rights of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation shall be assigned hereunder.

"Closing Date" means the date the Corporation deposits the Loan proceeds with the Trustee pursuant to Section 3.1.

"Corporation" means Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California. Whenever in this Loan Agreement any reference is made to the Corporation and such reference concerns rights which the Corporation has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

"City" means City of Brawley, a municipal corporation duly organized and existing under the Constitution and laws of the State of California.

"Enterprise" means the existing facilities and property owned or operated by the City in connection with the water supply services of the City, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the City.

"Event of Default" means any of the events of default as defined in Section 5.1.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Loan Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the City as its fiscal year period.

"Gross Revenues" means all gross charges received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to connection charges and earnings on the investment of any funds held by the City; but excluding (a) the proceeds of any ad valorem property taxes levied for the purpose of paying bonded indebtedness of the City and (b) the proceeds of any special assessments or special taxes levied upon real property within any improvement City served by the City for the purpose of paying special assessment bonds or special tax obligations of the City.

"Loan" means the loan made by the Corporation to the City pursuant to Section 3.1.

"Loan Agreement" means this Loan Agreement, dated as of April 1, 2016, between the Corporation and the City.

"Loan Repayment Date" means April 1 and October 1 in each year, commencing October 1, 2016 and continuing to and including the date on which the Loan Repayments have been paid in full.

"Loan Repayments" means all payments required to be paid by the City on any date pursuant to Section 3.4, including any prepayment thereof pursuant to Section 6.2 or 6.3.

"Maintenance and Operation Costs" means the reasonable and necessary costs and expenses paid by the City for maintaining and operating the Enterprise, including but not limited to the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including but not limited to administrative costs of the City attributable to the Enterprise and the financing thereof, but in all cases excluding

depreciation, replacement and obsolescence charges or reserves therefor and excluding amortization of intangibles or other bookkeeping entries of a similar nature.

"Maximum Annual Debt Service" means, as of the date of any calculation, the maximum sum obtained for the current or any future Fiscal Year during the Term of this Loan Agreement by totaling the aggregate amount of (i) the Loan Repayments coming due in such Fiscal Year, and (ii) the principal and interest coming due and payable in such Fiscal Year on any Parity Obligations, including the principal amount coming due and payable by operation of mandatory sinking fund redemption. There shall be excluded from such calculation any principal of and interest on the Loan Repayments and any Parity Obligations which have been defeased or discharged, or for the payment of which a security deposit has been posted. With respect to any Parity Obligations which then bear interest at a variable rate, such interest shall be calculated at an assumed rate equal to the average rate of interest per annum for each of the 5 previous whole calendar years as shown by the J. J. Kenny Index (or at any time in the event and to the extent such index is not maintained for all or any portion of such period, any similar index of variable rate interest for tax-exempt obligations as may be selected by the City in its sole discretion).

"Net Revenues" means, for any period, an amount equal to all of the Gross Revenues received during such period, minus the amount required to pay all Maintenance and Operation Costs becoming payable during such period.

"Parity Obligations" means any bonds, notes or other obligations of the City payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Loan Repayments.

"Revenue Fund" means the fund heretofore established and held by the City for the receipt and deposit of Gross Revenues.

"Tax Code" means the Internal Revenue Code of 1986. Any reference herein to a provision of the Tax Code shall include all applicable temporary and permanent regulations promulgated under the Tax Code.

"Term of this Loan Agreement" or "Term" means the time during which this Loan Agreement is in effect, as provided in Section 3.3.

"Trustee" means MUFG Union Bank, N.A.

SECTION 1.2. Exhibits. The following Exhibits are attached to, and by reference made a part of this Loan Agreement:

Exhibit A: The schedule of Loan Repayments to be paid by the City hereunder, showing the date and amount of each such Loan Repayment.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Corporation as follows:

(a) Due Organization and Existence. The City is a municipal corporation duly organized and existing under the Constitution and laws of the State of California.

(b) Authorization. The laws of the State of California authorize the City to enter into this Loan Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Loan Agreement and the City Council has duly authorized the execution and delivery of this Loan Agreement.

(c) No Violations. Neither the execution and delivery of this Loan Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the City, other than as set forth herein.

(d) No Prior Indebtedness. The City has not issued or incurred any obligations which are currently outstanding having any priority in payment out of the Gross Revenues or the Net Revenues over the payment of the Loan Repayments as provided herein.

SECTION 2.2. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the City as follows:

(a) Due Organization and Existence. The Corporation is a corporation duly organized and existing under the laws of the State of California.

(b) Authorization. The laws of the State of California authorize the Corporation to enter into this Loan Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Loan Agreement and the Board of Directors of the Corporation has duly authorized the execution and delivery of this Loan Agreement.

(c) No Violations. Neither the execution and delivery of this Loan Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation.

(d) No Assignments. Except as provided herein, the Corporation will not assign this Loan Agreement, its right to receive Loan Repayments from the City, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

ARTICLE III

TERMS OF LOAN

SECTION 3.1. Obligation to Make Loan; Amount of Loan. The Corporation hereby agrees to lend to the City, and the City hereby agrees to borrow from the Corporation, the amount of \$2,180,000 under the terms and provisions set forth in this Loan Agreement. The Loan shall be made by the Corporation to the City in immediately available funds on the Closing Date.

SECTION 3.2. Application of Loan Proceeds. On the Closing Date the Corporation shall deposit the sum of \$2,155,000 with the Trustee for the purpose of prepaying the 2004 Installment Payments and thereby paying and discharging the City's obligations under the 2004 Installment Purchase Agreement, and the Corporation shall retain the sum of \$25,000 for the purpose of paying the costs of issuance related to this Loan Agreement.

SECTION 3.3. Term. The Term of this Loan Agreement shall commence on the Closing Date, and shall end on the date on which

the Loan shall be paid in full or provision for such payment shall be made as provided herein.

SECTION 3.4. Loan Repayments.

(a) Obligation to Pay. The City hereby agrees to repay the Loan in the aggregate principal amount of \$2,180,000 together with interest (calculated at the rate of 2.75% on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semiannual Loan Repayments in the respective amounts and on the respective Loan Repayment Dates specified in Exhibit A.

As a result of the assignment by the Corporation to the Assignee of the right of the Corporation to receive the Loan Repayments, the City shall pay all Loan Repayments when due directly to the Assignee.

(b) Effect of Prepayment. In the event that the City prepays the Loan Repayments in full pursuant to Article VI, the City's obligations under this Loan Agreement shall thereupon cease and terminate, including but not limited to the City's obligation to pay Loan Repayments under this Section 3.4; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a security deposit. In the event that the City prepays the Loan in part but not in whole pursuant to Section 6.3, the principal components of the remaining Loan Repayments shall be reduced on a pro rata basis so as to produce equal Loan Repayments over the remaining Term of this Loan Agreement.

(c) Rate on Overdue Payments. In the event the City should fail to make any of the payments required in this Section 3.4, the payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid, and the City agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate of eight percent (8%) per annum.

SECTION 3.5. Nature of City's Obligations.

(a) Special Obligation. The City's obligation to pay the Loan Repayments is a special obligation of the City limited solely to the Net Revenues and all amounts on deposit in the Revenue Fund. Under no circumstances is the City required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Loan Repayments, and no other funds or property of the City are liable for the payment of the Loan Repayments. Notwithstanding the foregoing provisions of this Section, however, nothing herein prohibits the City voluntarily

from making any payment hereunder from any source of available funds of the City.

(b) Obligations Absolute. The obligations of the City to pay the Loan Repayments from the Net Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the City or the Corporation of any obligation to the City or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Corporation. Until such time as all of the Loan Repayments have been fully paid or prepaid, the City:

(i) will not suspend or discontinue payment of any Loan Repayments,

(ii) will perform and observe all other agreements contained in this Loan Agreement, and

(iii) will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement.

(c) Protection of Rights. If the Corporation fails to perform any such agreements on its part, the City may institute such action against the Corporation as the City deems necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the preceding subsection (b). The City may, however, at the City's own cost and expense and in the City's own name or in the name of the Corporation prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's rights hereunder, and in such event the Corporation will cooperate fully with the City and take such action necessary to effect the substitution of the City for the Corporation in such action or proceeding if the City shall so request.

SECTION 3.6. Pledge and Application of Net Revenues and Revenue Fund.

(a) Pledge. All of the Net Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the punctual payment of the Loan Repayments and any Parity Obligations. The Net Revenues and amounts on deposit in the Revenue Fund may not be used for any other purpose so long as any of the Loan Repayments and any Parity Obligations remain unpaid; except that out of the Net Revenues and such other amounts there may be apportioned such sums, for such purposes, as are expressly permitted by this Section 3.6. In accordance with Section 5451 of Title 1, Chapter 5.5 of the California Government Code, this pledge shall constitute a first and exclusive lien on the Net Revenues and such other moneys for the payment of the Loan Repayments and any Parity Obligations in accordance with the terms hereof and the terms of the instruments authorizing the issuance of any Parity Obligations.

(b) Deposit of Gross Revenues; Transfers to Make Loan Repayments. The City has heretofore established the Revenue Fund, which the City agrees to continue to hold and maintain for the purposes and uses set forth herein. The City shall deposit all Gross Revenues in the Revenue Fund promptly upon the receipt thereof.

All Net Revenues will be held by the City in the Revenue Fund in trust for the benefit of the Corporation and for the benefit of the owners of any Parity Obligations. The City shall withdraw from such fund or funds and transfer to the Corporation an amount of Net Revenues equal to the aggregate amount of the Loan Repayment when and as the same becomes due and payable. In addition, the City shall withdraw from such fund or funds such amounts of Net Revenues at such times as required to pay the principal of and interest on any Parity Obligations and otherwise comply with the provisions of the instruments authorizing the issuance of any Parity Obligations.

(c) Other Uses Permitted. The City shall manage, conserve and apply the Net Revenues in such a manner that all deposits required to be made under the preceding paragraph will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing hereunder, the City may at any time and from time to time use and apply Net Revenues for (i) the acquisition and construction of improvements to the Enterprise; (ii) the prepayment of the Loan and any Parity Obligations, or (iii) any other lawful purpose of the City.

ARTICLE IV

COVENANTS OF THE CITY

SECTION 4.1. Release and Indemnification Covenants. The City shall indemnify the Corporation and its officers, agents, successors and assigns and hold them harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of the following:

(a) the use, maintenance, condition or management of, or from any work or thing done on or about the Enterprise by the City,

(b) any breach or default on the part of the City in the performance of any of its obligations under this Loan Agreement,

(c) any intentional misconduct or negligence of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise, and

(d) any intentional misconduct or negligence of any lessee of the City with respect to the Enterprise.

No indemnification is made under this Section 4.1 or elsewhere in this Loan Agreement for willful misconduct, gross negligence, or breach of duty under this Loan Agreement by the Corporation, its officers, agents, employees, successors or assigns.

SECTION 4.2. Sale or Eminent Domain of Enterprise. Except as provided herein, the City covenants that the Enterprise will not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole if such encumbrance, sale, lease, pledge, charge or other disposition would materially impair the ability of the City to pay the Loan Repayments or the principal of or interest on any Parity Obligations, or would materially adversely affect its ability to comply with the terms of this Loan Agreement or the instruments authorizing the issuance of any Parity Obligations. The City shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the Loan Repayments or any Parity Obligations, or which otherwise would impair the rights of the Corporation with respect to the Net Revenues. If any substantial part of the Enterprise is sold, the payment therefor must either (a) be used for the acquisition or construction of improvements and extensions or replacement facilities or (b) be applied to prepay or redeem the Loan and any Parity Obligations, on a pro

rata basis, in the manner provided herein and in the instruments authorizing such Parity Obligations.

Any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the City, shall either (a) be used for the acquisition or construction of improvements and extension or replacement facilities of the Enterprise, or (b) be applied to prepay or redeem the Loan and any Parity Obligations, on a pro rata basis, in the manner provided herein and in the instruments authorizing such Parity Obligations.

SECTION 4.3. Insurance. The City shall at all times maintain with responsible insurers all such insurance on the Enterprise as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Enterprise. If any useful part of the Enterprise is damaged or destroyed, such part shall be restored to usable condition. All amounts collected from insurance against accident to or destruction of any portion of the Enterprise shall be used to repair or rebuild such damaged or destroyed portion of the Enterprise or if determined not to repair or rebuild such portion and in any event to the extent not so applied, must either (a) be used for the acquisition or construction or improvements and extensions or replacement facilities or (b) be applied on a pro rata basis to prepay or redeem the Loan and the Prior Parity Obligations in the manner provided in this Loan Agreement and in the instruments authorizing such Parity Obligations. The City shall also maintain, with responsible insurers, worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the City, the Corporation and the Assignee. Any insurance required to be maintained hereunder may be maintained under and in accordance with a joint exercise of powers agreement, or may be maintained by the City in the form of self-insurance or in the form of participation by the City in a program of pooled insurance.

SECTION 4.4. Records and Accounts. The City shall keep proper books of records and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the reasonable inspection of the Corporation.

The City shall cause the books and accounts of the Enterprise to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than two hundred seventy (270) days after the close of each

Fiscal Year, and shall furnish a copy of such report to the Corporation or the Assignee. The audit of the accounts of the Enterprise may be included as part of a general City-wide audit.

The City shall cause to be published annually, not more than two hundred seventy (270) days after the close of each Fiscal Year, a summary statement showing the amount of Gross Revenues and the disbursements from Gross Revenues and from other funds of the City in reasonable detail. The City shall furnish a copy of the statement, upon reasonable written request, to the Corporation and the Assignee.

SECTION 4.5. *Rates and Charges.*

(a) Covenant Regarding Gross Revenues. The City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which (together with existing unencumbered cash and cash-equivalent balances which are lawfully available to the City for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts in the following order:

(i) All Maintenance and Operation Costs estimated by the City to become due and payable with respect to such Fiscal Year;

(ii) The Loan Repayments and all principal of and interest and premium (if any) on any Parity Obligations as they become due and payable with respect to such Fiscal Year, without preference or priority;

(iii) All payments coming due and payable with respect to such Fiscal Year and required for compliance with this Loan Agreement and the instruments authorizing any Parity Obligations; and

(iv) All payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Gross Revenues with respect to such Fiscal Year.

(b) Covenant Regarding Net Revenues. In addition to the covenant set forth in the preceding clause (a) of this Section, the City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues which (together with existing unencumbered cash and cash-equivalent fund balances which are lawfully available to the City with respect to such Fiscal Year) are at least equal to 115% of the aggregate amount of Loan Repayments and principal of and

interest on any Parity Obligations coming due and payable with respect to such Fiscal Year.

SECTION 4.6. No Priority for Additional Obligations. The City may not issue or incur any bonds or other obligations having any priority in payment of principal or interest out of the Net Revenues over the Loan Repayments.

SECTION 4.7. Issuance of Parity Obligations. Except for obligations incurred to prepay or post a security deposit for the Loan in whole, the City may not issue or incur any Parity Obligations unless:

(a) The City is not then in default under the terms of this Loan Agreement.

(b) The Net Revenues (excluding connection charges), calculated in accordance with sound accounting principles, as shown by the books of the City for the latest Fiscal Year or as shown by the books of the City for any more recent 12 month period selected by the City, in either case verified by a certificate or opinion of an independent certified public accountant (which may be, but not need be, the outside firm providing auditing services) employed by the City, plus (at the option of the City) the Additional Revenues, at least equal 115% of the amount of Maximum Annual Debt Service; *provided, however*, that this subsection (b) does not apply to any issue of Parity Obligations the net proceeds of which are applied to refund the Loan or any Parity Obligations in whole or in part, so long as (i) the final maturity of such Parity Obligations does not exceed the final maturity of the obligations being refunded, and (ii) the aggregate amount of debt service on such Parity Obligations in each Fiscal Year does not exceed the amount of debt service which would otherwise come due and payable in such Fiscal Year on the obligations being refunded.

For purposes of the foregoing calculation of Net Revenues under this subsection (b), the City may add to such Net Revenues any Additional Revenues.

(c) Notwithstanding the above, the City may incur debt payable from Net Revenues (i) to cause a defeasance of this Loan Agreement or (ii) which is payable on a basis which is junior to the payment of the Loan Repayments.

SECTION 4.9. Assignment by the Corporation. The Corporation's rights under this Loan Agreement, including the right to receive and enforce payment of the Loan Repayments to be made by the City under this Loan Agreement, have been assigned to the Assignee pursuant to an Assignment of Loan Agreement.

Whenever in this Loan Agreement any reference is made to the Corporation and such reference concerns rights which the Corporation has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

The Corporation or the Assignee has the right to make additional assignments of its rights and obligations under this Loan Agreement, but the City shall not be required to pay more than a single payee, regardless of the number of Assignees, and no such assignment will be effective as against the City unless and until the Corporation or the Assignee files with the City written notice thereof. The City shall pay all Loan Repayments hereunder under the written direction of the Corporation or the Assignee named in the most recent assignment or notice of assignment filed with the City. During the Term of this Loan Agreement, the City shall keep a complete and accurate record of all such notices of assignment.

SECTION 4.10. Assignment by the City. Neither the Loan nor this Loan Agreement may be assigned by the City, other than to a public agency which shall succeed to the interests of the City in and to the Enterprise and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

SECTION 4.11. Amendment of this Loan Agreement. This Loan Agreement may be amended by the City and the Corporation, but only with the prior written consent of the Assignee (which consent may not be unreasonably withheld).

SECTION 4.12. Tax Covenants.

(a) Generally. The City shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Loan Repayments to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The City shall assure that the proceeds of the Loan are not so used as to cause the Loan to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Loan Repayments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The City shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Loan Repayments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Loan to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(e) Small Issuer Exemption from Bank Nondeductibility Restriction. The City hereby designates this Loan Agreement for purposes of paragraph (3) of Section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Loan Agreement, has been or will be issued by the City, including all subordinate entities of the City, during the calendar year 2016.

(f) Arbitrage Rebate. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Loan.

(g) Acquisition, Disposition and Valuation of Investments. Except as otherwise provided in the following sentence, the City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Loan Agreement, or otherwise containing gross proceeds of the Loan (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

For purposes of this subsection (g), the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's

length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. Events of Default Defined. The following shall be Events of Default under this Loan Agreement.

(a) Failure by the City to pay the Corporation any Loan Repayment or to pay other amounts required to be paid hereunder within fifteen (15) days of the time specified herein, and such failure is not cured within ten (10) days after written notice thereof by the Corporation.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder other than as referred to in the preceding clause (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation provided, however, if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such thirty (30) day period, the Corporation shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such thirty (30) day period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as bankrupt, or assignment by the City for the benefit of creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code,

as amended, or under any similar acts which may hereafter be enacted.

(d) An event of default as defined under any contracts or agreements relating to any Parity Obligations.

SECTION 5.2 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Corporation shall have the rights, at its option and without any further demand or notice to:

(a) declare all principal components of the unpaid Loan Repayments, together with accrued interest thereon at the rate of interest per annum represented by the Loan from the immediately preceding Loan Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable; and,

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Loan Repayments then due or thereafter to become due during the Term of this Loan Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Loan Agreement.

The provisions of the preceding clause (a) are subject to the condition that if, at any time after the principal components of the unpaid Loan Repayments shall have been so declared due and payable pursuant to the preceding clause (a), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Corporation a sum sufficient to pay all principal components of the Loan Repayments coming due prior to such declaration and all matured interest components (if any) of the Loan Repayments, with interest on such overdue principal and interest components calculated at the rate set forth in Section 3.4(c) and the reasonable expenses of the Corporation (including any fees and expenses of its attorneys), and any and all other defaults known to the Corporation (other than in the payment of the principal and interest components of the Loan Repayments due and payable solely by reason of such declaration) shall have been made good, then, and in every such case, the Corporation may, by written notice to the City rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or

now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article V it shall not be necessary to give any notice, other than such notice as may be required in this Article V or by law.

SECTION 5.4. Agreement to Pay Attorneys' Fees and Expenses.

In the event either party of this Loan Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys (including in-house counsel) or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys (including the allocable cost of in-house counsel) and such other expenses so incurred by the nondefaulting party.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 5.6. Assignee to Exercise Rights Such rights and remedies as are given to the Corporation under this Article V have been assigned by the Corporation to the Assignee and shall be exercised solely by the Assignee.

ARTICLE VI

PREPAYMENT OF LOAN

SECTION 6.1. Security Deposit. Notwithstanding any other provision of this Loan Agreement, the City may on any date secure the payment of Loan Repayments, in whole, by irrevocably depositing with a fiduciary an amount of cash which, together with other available amounts, is either (a) sufficient to pay all such Loan Repayments, including the principal and interest components thereof, when due pursuant to Section 3.4(a), or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay

all such Loan Repayments when due pursuant to Section 3.4(a) or when due on any optional prepayment date pursuant to Section 6.2, as the City shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section for the payment of all remaining Loan Repayments, all obligations of the City under this Loan Agreement, and the pledge of Net Revenues and all other security provided by this Loan Agreement for said obligations, shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all of Loan Repayments from such security deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Loan Repayments in accordance with the provisions of this Loan Agreement.

SECTION 6.2. Optional Prepayment. The City shall have the option to prepay the unpaid principal balance of the Loan in whole, on any Loan Repayment Date, commencing on the first Loan Repayment Date, by paying the Loan Repayment required to be paid on such date plus a prepayment price equal to the principal amount of the Loan Repayments to be prepaid, together with a one percent (1%) prepayment premium thereon. The City shall give the Corporation written notice of its intention to exercise its option not less than thirty (30) days in advance of the date of exercise.

SECTION 6.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The City shall prepay the unpaid principal balance of the Loan in whole on any date or in part, on any Loan Repayment Date, from and to the extent the City determines to apply any Net Proceeds of insurance award or condemnation award with respect to the Enterprise for such purpose pursuant to Sections 4.2 or 4.3 at a price equal to the principal amount to be prepaid plus a prepayment premium equal to the amount which would apply to such prepayment if the City prepaid its obligations under Section 6.2 on such date. The City and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Loan Repayments, shall be credited towards the City's obligations under this Section 6.3.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Notices. All written notices to be given under this Loan Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice shall be

effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the City or the Assignee may, by written notice to ~~the other~~ parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City: City of Brawley
 383 Main Street
 Brawley, CA 92227
 Attention: City Manager

If to the Corporation: Municipal Finance Corporation
 2945 Townsgate Road, Suite 200
 Westlake Village, CA 91361
 Attention: President

If to the Assignee: City National Bank
 555 South Flower Street, 24th Floor
 Los Angeles, CA 90071
 Attention: Credit Management

SECTION 7.2. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

SECTION 7.3. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.4. Net-net-net Contract. This Loan Agreement shall be deemed and construed to be a "net-net-net" contract, and the City hereby agrees that the Loan Repayments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.5. Further Assurances and Corrective Instruments. The Corporation and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

SECTION 7.6. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.7. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 7.8. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Loan Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Loan Agreement to be executed in its corporate name by its duly authorized officer, and the City has caused this Loan Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

MUNICIPAL FINANCE CORPORATION

By: _____
President

CITY OF BRAWLEY, CALIFORNIA

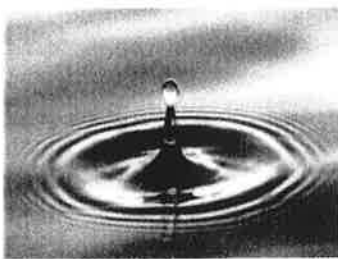
By: _____
Donald L. Wharton, Mayor

EXHIBIT A

SCHEDULE OF LOAN REPAYMENTS



City of Brawley



2016 Water Revenue Refunding Loan (Refunding of CSCDA Series 2004 Bonds)

Draft 03/22/2016

8.5-Year Refunding



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Table 1
City of Brawley
Water Revenue Bond Refunding
Outstanding Series 2004B Bonds

Dated Date: 05/18/16

Payment #	Maturity Date	Principal	Rate	Interest	Period Debt Svc	Annual Debt Svc	Fiscal Year Debt Svc
	04/01/16	To be paid by City as scheduled					
1	10/01/16	200,000	3.850%	50,601	250,601	250,601.25	
2	04/01/17			46,751	46,751		297,353
3	10/01/17	210,000	3.950%	46,751	256,751	303,502.50	
4	04/01/18			42,604	42,604		299,355
5	10/01/18	215,000	4.050%	42,604	257,604	300,207.50	
6	04/01/19			38,250	38,250		295,854
7	10/01/19	225,000	5.000%	38,250	263,250	301,500.00	
8	04/01/20			32,625	32,625		295,875
9	10/01/20	235,000	5.000%	32,625	267,625	300,250.00	
10	04/01/21			26,750	26,750		294,375
11	10/01/21	250,000	5.000%	26,750	276,750	303,500.00	
12	04/01/22			20,500	20,500		297,250
13	10/01/22	260,000	5.000%	20,500	280,500	301,000.00	
14	04/01/23			14,000	14,000		294,500
15	10/01/23	275,000	5.000%	14,000	289,000	303,000.00	
16	04/01/24			7,125	7,125		296,125
17	10/01/24	285,000	5.000%	7,125	292,125	299,250.00	299,250
Total		2,155,000		507,811	2,662,811	2,662,811	2,669,936



Table 2
City of Brawley
Water Revenue Bond Refunding
Outstanding Series 2004B Bonds

Date of Redemption:	05/18/16
Prior Payment Date of Outstanding Bonds	04/01/16
Refunding Requirement	
Accrued interest through redemption date	13,212.55
Outstanding principal after 04/01/16	2,155,000.00
Reserve fund	0.00
Prepayment premium	<u>0.00</u>
Refunding requirement	2,168,212.55

Table 3
City of Brawley
Sources and Uses of Funds
Outstanding Series 2004B Bonds

Dated Date/Closing Date	05/18/16
Refunding Date	04/01/16

Refunding Issue Sources

Par Amount of Refunding Loan	\$2,180,000.00
Accrued Interest	<u>\$13,212.55</u>
Total Sources	\$2,193,212.55

Uses

Refunding Requirement	2,168,212.55
Issuance Costs	20,000.00
Misc/Rounding	<u>5,000.00</u>
Total Uses	2,193,212.55

Net Sources and Uses	0
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Table 4
City of Brawley
Water Revenue Bond Refunding
2016 Refunding Loan

Dated Date	05/18/16
Loan Amount	\$2,180,000
Interest Rate (Actual/360)	2.75%
Term (Years)	8.50
Payments per Year	2

Pymt #	Payment Date	Principal	Interest	Period Debt Svc	Fiscal Year Debt Svc	Loan Balance
						2,180,000.00
1	10/01/16	114,706.72	22,148.19	136,854.91		2,065,293.28
2	04/01/17	116,284.02	28,397.78	144,681.80	281,536.71	1,949,009.26
3	10/01/17	117,882.92	26,798.88	144,681.80		1,831,126.34
4	04/01/18	119,503.81	25,177.99	144,681.80	289,363.60	1,711,622.53
5	10/01/18	121,146.99	23,534.81	144,681.80		1,590,475.54
6	04/01/19	122,812.76	21,869.04	144,681.80	289,363.60	1,467,662.78
7	10/01/19	124,501.44	20,180.36	144,681.80		1,343,161.34
8	04/01/20	126,213.33	18,468.47	144,681.80	289,363.60	1,216,948.01
9	10/01/20	127,948.77	16,733.03	144,681.80		1,088,999.24
10	04/01/21	129,708.06	14,973.74	144,681.80	289,363.60	959,291.18
11	10/01/21	131,491.55	13,190.25	144,681.80		827,799.63
12	04/01/22	133,299.56	11,382.24	144,681.80	289,363.60	694,500.07
13	10/01/22	135,132.42	9,549.38	144,681.80		559,367.65
14	04/01/23	136,990.50	7,691.30	144,681.80	289,363.60	422,377.15
15	10/01/23	138,874.11	5,807.69	144,681.80		283,503.04
16	04/01/24	140,783.63	3,898.17	144,681.80	289,363.60	142,719.41
17	10/01/24	142,719.41	1,962.39	144,681.80	144,681.80	0.000
Total		2,180,000.00	271,763.71	2,451,763.71	2,451,763.71	

Table 5

City of Brawley
Water Revenue Bond Refunding
Debt Service Comparison & Savings

Dated Date of Refunding Issue: 05/18/16

Payment Date	Period	2004B Bonds		PV at AYL 2.750%	2016 Refunding Loan		PV at AYL 2.750%	Gross Savings		NPV Savings	
		Payment	Annual		Payment	Annual		Payment	Annual	Payment	Annual
10/01/16	0.739	250,601		248,085	13,213		135,481	(13,213)		(13,213)	
04/01/17	1.739	46,751	297,353	45,654	136,855	281,537	141,286	113,746	2,603	112,604	3,760
10/01/17	2.739	256,751		247,324	144,682		139,369	(97,931)		(95,632)	
04/01/18	3.739	42,604	299,355	40,483	144,682	289,364	137,479	112,069	9,991	107,954	10,958
10/01/18	4.739	257,604		241,458	144,682		135,614	(102,078)		(96,996)	
04/01/19	5.739	38,250	295,854	35,366	144,682	289,364	133,774	112,922	6,490	105,844	7,437
10/01/19	6.739	263,250		240,101	144,682		131,959	(106,432)		(98,408)	
04/01/20	7.739	32,625	295,875	29,352	144,682	289,364	130,169	118,568	6,511	108,142	7,325
10/01/20	8.739	267,625		237,514	144,682		128,403	(112,057)		(100,817)	
04/01/21	9.739	26,750	294,375	23,418	144,682	289,364	126,662	122,943	5,011	109,111	5,867
10/01/21	10.739	276,750		238,994	144,682		124,943	(117,932)		(103,243)	
04/01/22	11.739	20,500	297,250	17,463	144,682	289,364	123,248	132,068	7,886	114,051	8,265
10/01/22	12.739	280,500		235,705	144,682		121,576	(124,182)		(105,785)	
04/01/23	13.739	14,000	294,500	11,605	144,682	289,364	119,927	135,818	5,136	114,128	5,806
10/01/23	14.739	289,000		236,303	144,682		118,300	(130,682)		(108,323)	
04/01/24	15.739	7,125	296,125	5,747	144,682	289,364	116,695	144,318	6,761	118,003	7,054
10/01/24	16.739	292,125	292,125	232,422	144,682	144,682	115,112	(137,557)	147,443	(110,949)	117,309
Total		2,662,811	2,662,811	2,366,995	2,464,976	2,451,764	2,180,000	197,835	197,835	173,782	173,782
Refunded Principal					197,835		186,995				2,155,000

Gross Savings

Debt Service Savings

Less Difference in Reserve Fund on Closing Date

Gross Savings

% of Refunded Principal

197,835
0
197,835
9.18%

Present Value Savings

Present Value Savings at AYL

Less Difference in Reserve Fund on Closing Date

Present Value Savings

% of Refunded Principal

186,995
0
186,995
8.68%

Table 6
City of Brawley
Water Revenue Bond Refunding
AYL Verification Report

Dated Date: 05/18/16

Payment Date	Period Debt Svc	Period	PV at AYL on 05/18/16 2.750%
10/01/16	136,854.91	0.7389	135,480.71
04/01/17	144,681.80	1.7389	141,286.02
10/01/17	144,681.80	2.7389	139,369.39
04/01/18	144,681.80	3.7389	137,478.76
10/01/18	144,681.80	4.7389	135,613.78
04/01/19	144,681.80	5.7389	133,774.09
10/01/19	144,681.80	6.7389	131,959.37
04/01/20	144,681.80	7.7389	130,169.26
10/01/20	144,681.80	8.7389	128,403.44
04/01/21	144,681.80	9.7389	126,661.57
10/01/21	144,681.80	10.7389	124,943.33
04/01/22	144,681.80	11.7389	123,248.39
10/01/22	144,681.80	12.7389	121,576.46
04/01/23	144,681.80	13.7389	119,927.20
10/01/23	144,681.80	14.7389	118,300.31
04/01/24	144,681.80	15.7389	116,695.50
10/01/24	144,681.80	16.7389	115,112.45
Total	2,451,763.71		2,180,000.00
AYL Target			
Face value bonds			2,180,000.00
- OID or + OIP			0.00
- bond insurance			0.00
- bond surety fee			0.00
+ accrued interest			0.00
Total			2,180,000.00
Arbitrage Yield Limit (AYL)			2.750%

Table 7
City of Brawley
Water Revenue Bond Refunding
Savings Summary

	8.5 -Year Refunding Loan	Existing Bonds	Savings
Principal	\$2,180,000.00 (Table 4)	\$2,155,000.00 (Table 1)	
Interest	2.750% (Table 4)	3.85% to 5.0% (Table 1)	
Debt Service Payments	2,451,763.71 (Table 4)	2,662,811.25 (Table 1)	
Accrued Interest	<u>13,212.55</u>	<u>0.00</u>	
	2,464,976.26	2,662,811.25	197,835
Difference in Reserve			<u>0.00</u>
Total Savings			197,835 (Table 5)

Table 7
City of Brawley
Water Revenue Bond Refunding
Savings Summary

	8.5 -Year Refunding Loan	Existing Bonds	Savings
Principal	\$2,180,000.00	\$2,155,000.00	
Interest	2.750%	3.85% to 5.0%	
Debt Service Payments	2,451,763.71	2,662,811.25	
Accrued Interest	<u>13,212.55</u>	<u>0.00</u>	
	2,464,976.26	2,662,811.25	197,835
Difference in Reserve			<u>0.00</u>
Total Savings			197,835

City of Brawley

Refunding of Series 2004B CSCDA Water Revenue Bonds



March 29, 2016

Summary of 2004B Water Bond

Outstanding Principal	2,155,000
Interest	<u>507,811</u>
Total Debt Service	2,662,811

As of April 1, 2016

- 8.5 years to maturity
- Final Maturity: October 1, 2024
- Interest Rate: 3.85% to 5.00%

Proposals Received

- Municipal Finance Corporation
 - Private Placement Loan Refunding
 - 2.75%, financing cost = \$25,000
- BOSC
 - Refunding Bond
 - 1.94%, financing cost = \$174,238
- BBVA Compass
 - Private Placement Loan Refunding
 - 2.75% to 3.00%, financing cost = \$45,000

Recommendation

- Financial Advisor recommends moving forward with Municipal Finance Corporation
 - Private Placement Loan
 - Greatest Savings Achieved: \$197,835
 - Interest Rate: 2.75%
 - Lowest Cost of Issuance: \$25,000

Analysis of Refunding

	<u>MFC</u>		
	<u>8.5 -Year</u>		
	<u>Refunding Loan</u>	<u>Existing Bonds</u>	<u>Total Savings</u>
Principal	2,180,000.00	2,155,000.00	
Interest	2.75%	3.85% to 5.00%	
Debt Service Payments	2,451,763.71	2,662,811.25	
Accrued Interest	<u>13,212.55</u>	<u>0.00</u>	
	2,464,976.26	2,662,811.25	197,835

Recommendation

- Authorize staff to proceed with Municipal Finance Corporation Private Placement Loan.

Questions/Comments

